

*“Beyond Our Limits”*

INTEGRATED REPORT **2024**





# Becoming a Group that Inspires Admiration and Respect

The Tokai Tokyo Financial Group is committed to contributing to the growth of the Japanese economy by assisting our customers in creating new wealth and enhancing their capital. The group has been an industry pioneer in realizing innovative initiatives such as alliances with regional banks and the development of the “Orque d’or” brand for affluent customers, taking full advantage of the unique features of our independent and comprehensive financial group.

Under our medium-term management plan, “Beyond Our Limits,” launched in April 2022, we are working to build a unique, comprehensive financial group that is capable of delivering new financial services via a two-pronged strategy of strengthening the caliber enlargement as a financial service provider and deploying key measures to reach the new world.

Our goal is to create new values and become a corporate group that our stakeholders can inspire Admiration and Respect.

The Tokai Tokyo Financial Group will continue to take on challenges as the standard-bearer of a new era.





## Management Philosophy

We will contribute to the growth of our nation's economy by fulfilling our role as a financial service provider to help customers with their wealth formation and capital enhancement.

Throughout its business operations, the Tokai Tokyo Financial Group cherishes local communities and the people living there. We want to help customers build their assets and capital, and in so doing contribute to Japan's economic growth. Through a united effort and with the trust and support of all our stakeholders, we will pursue our vision of becoming a groundbreaking comprehensive financial group that leads the way into a new age.



### Our Vision

#### Customer

We will help customers realize affluent lives and promote corporate values by advising them about the appropriate use of wealth and assets. Toward that end, we will keep striving to be the group with full commitment and devotion.

#### Global

We will read the times right and see things from a global perspective to prevail as an innovative group.

#### Region

We will care about the community in which we operate and render help to elevate the prosperity there now and in the future.

#### Employee

We will encourage employees with diverse individualities and expertise to attain sparkling self-realization in their respective ways.

#### Trust

We will negotiate even the toughest times with the matching strength and resilience to win the confidence of our stakeholders.

### Our Mission

### Our Action

- We shall keep learning.
- We shall challenge.
- We shall respect communications.
- We shall embrace the motto, "Get stronger and more resilient."
- We shall defend our "corporate discipline."

### Catchphrase

To express our overall corporate philosophy familiarly and concisely, we have established the following five catchphrases.

- Exciting company
- Ever-learning company
- Company nurturing a sense of fellowship
- Company with integrity
- Strong and resilient company



# CONTENTS

## Value Creation Story

- 06 Chairman's Message
- 10 President's Message
- 16 Our History
- 18 Features of the Tokai Tokyo Financial Group at a Glance
- 20 Value Creation Process
- 22 Significant Capital and Our Strengths
- 23 Providing Value to Stakeholders and Our Initiatives

## Initiatives to Enhance Corporate Value

- 24 Introduction
- 26 Progress of the Medium-term Management Plan
- 28 The Caliber Enlargement as a Financial Service Provider
- 36 Deploying Key Measures to Reach the New World
- 40 A Message from the President of Tokai Tokyo Securities
- 42 A Message from the Head of Finance & Internal Supervision Division
- 44 Financial and Non-financial Highlights
- 46 Human Resources Strategy
- 52 Employee Interviews

## About the Integrated Report 2024

Since its establishment in 2000, the Tokai Tokyo Financial Group has been ahead of the changing needs of the times and continued to take on new challenges and create innovation. Since 2016, the Group has been reporting both financial and non-financial information, including on Environment, Social, and Governance (ESG). This year's report highlights the specific strategies and initiatives of the Tokai Tokyo Financial Group, using a logic tree to clearly outline our growth roadmap. The report also includes "Employee Interviews" and an "Outside Directors Roundtable" as special features.

## Forward-looking Statements

This integrated report is intended to provide information concerning the Company's financial results for the period April 1, 2023, to March 31, 2024 and the Company's future management vision. This report is not intended to solicit investment in marketable securities issued by the Company and does not constitute any guarantee or promise. The strategies and opinions contained in this integrated report are based on the judgment of the Company at the time the report was prepared. The Company does not guarantee the accuracy or completeness of the information contained herein, and the information is subject to change without notice.

## Editorial Policy

Tokai Tokyo Financial Holdings prepared its Integrated Report for the fiscal year ended March 31, 2024 to help stakeholders understand its efforts to enhance corporate value. The aim of this year's report is to provide stakeholders with an easy-to-understand explanation based on a logic tree, including a new section entitled "Initiatives to Enhance Corporate Value" under the theme of growing into a corporate group that inspires Admiration and Respect. In producing this report, we referred to the International Integrated Reporting Framework proposed by the IFRS Foundation and the Guidance for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry. We will continue to reflect the opinions of readers as we enhance our Integrated Report.

## Sustainability

- 54 Practicing Sustainability Management
- 57 Achieving Good Life Management
- 58 Innovation
- 59 Partnerships
- 60 Well-being
- 61 Green
- 62 Addressing Climate Change (Disclosing Information in Line with TCFD Recommendations)

## Corporate Governance

- 64 A Message from the Chairperson of the Board of Directors
- 65 Corporate Governance
- 72 Compliance
- 74 Risk Management Framework
- 76 Special Feature: Outside Directors Roundtable
- 78 Members of the Board

## Financial Review

- 80 Eleven-Year Financial and Non-Financial Summary
- 82 Financial Results for the Fiscal Year Ended March 31, 2024
- 84 Share Information
- 85 Company Information



## TOPICS In October 2025, the Tokai Tokyo Financial Group will celebrate its 25th anniversary.

As a commemorative sponsorship project to celebrate our 25th anniversary in October 2025, the Group is pleased to announce that we will be a special sponsor of the stage production of *Harry Potter and the Cursed Child*. Furthermore, in addition to our corporate advertising featuring professional the Oza Tournament (a *Shogi* competition) and player Sota Fujii and violinist Taro Hakase, Tokai Tokyo Securities is also a co-sponsor of the Oza Tournament (a *Shogi* competition) and an official partner of Ghibli Park. Through these efforts and more, we aim to strengthen our presence as a corporate group cherished by our customers with Admiration and Respect, truly valuing the bond of trust between us.





# Value Creation Story

We will draw on the strengths of our independent and comprehensive financial group to partner with a range of companies and generate value.

The Tokai Tokyo Financial Group has worked hard to become a comprehensive financial group with unprecedented strength. We will continue embracing the challenge of enhancing the assets and capital of all our customers and fostering the growth of the Japanese economy.

## Our Vision

We will contribute to the growth of our nation's economy by fulfilling the role of a financial service provider to help customers with their wealth formation and capital enhancement.

## Medium-term Management Plan

## *"Beyond Our Limits"*

## Features of Tokai Tokyo Financial Group

### Values to Cherish

Our Vision

Our Mission

Our Action

Catchphrase



**Vision** Corporate group with Admiration and Respect



**Action Guideline** "Social Value & Justice comes first"

For a better society

Perfection in fulfilling all the mundane basics

Be exciting

\*1 Our "Powerful Partners" are representative Japanese companies and institutions including power companies, telecom companies, financial institutions, trading firms, real estate companies, universities, regional banks, and local governments.

\*2 "New Bonanza" represents a brand-new gold mine for business capabilities.



# TOP MESSAGE



Tateaki Ishida  
Chairman and  
Representative Director  
Tokai Tokyo Financial Holdings, Inc.

As we enter the second-half execution phase of the medium-term management plan, we will intensify our efforts to achieve “Growth Beyond Our Limits,” pursuing further enhancement of the corporate value

## Announcing New Management Personnel

In June 2024, Tokai Tokyo Financial Holdings, Inc. started a new management team, appointing me, Tateaki Ishida, as Chairman and Representative Director and Masataka Sato as President and Representative Director. Following the announcement of the resignation of the previous President, the Nomination & Remuneration Committee initiated the selection of the next President. Given that the Company enters a critical phase in determining its future direction within a rapidly evolving market, the Committee prioritized rich experience in the financial sector and a deep understanding of the Group's organization and management in selecting candidates. The new President, who joined Tokai Tokyo Securities in 2010, has served as an Executive

Officer and President of the corporation. Since 2023, he has also held the positions of Chairman of Tokai Tokyo Securities and Assistant Chairman of our Company. As he meets all the qualities necessary for future leadership, we consider him an ideal person to assume the role of President.

Under the newly appointed executive structure, I will oversee the strategies for the entire Group, while the new President will primarily be responsible for planning and managing the progress of individual projects, as well as overseeing the performance of the Group and its subsidiaries. The president and I will work closely together to pursue further growth for our Group.

## A Growth Strategy to Pioneer a New World

In April 2022, our Group introduced the medium-term management plan titled “Beyond Our Limits.” Over the past two and a half years, we dedicated ourselves to making progress in line with this plan. While developing the plan, we sought to define our direction and the steps needed to achieve our vision, taking into consideration the trends that are taking place in the financial and securities markets every day, including increasing cross-sector competition between banks and securities firms, progress in digital transformation (DX), and government initiatives to support asset building. Consequently, we came up with the theme “Beyond Our Limits” as a solution. To establish our Group as an institution commanding Admiration and Respect,

we will continue to confront new challenges aggressively and dynamically and transcend our limitations, striving to construct an innovative business model that will reshape the financial world. We put our strong determination for the future into these words.

As we prepare the scenario for embarking on the endeavor to cut our way to a new world, “Beyond Our Limits,” we have established fundamental policies of “The Caliber Enlargement as a Financial Service Provider” to aim for enhanced profitability, a stable earnings structure, and a productivity increase, as well as “Deploying Key Measures to Reach the New World” based on collaboration with Powerful Partners and the acquisition of new business opportunities which we refer to as “New Bonanza.”



By taking our financial capabilities up to the next stage, we will enhance our value-creation platform. We leverage our strength in forging alliances with powerful entities in diverse fields such as electrical power generation and finance (Powerful Partners) to collaboratively create value. We are committed to acquiring new business opportunities (New Bonanza) by developing new

businesses and capabilities within our Group, including banking capabilities, and by further expanding our asset management business, which we expect will become a key future revenue source. We have established target figures for the Group’s key goal indicators (KGIs) for the fiscal year ending March 2027 as an ROE of 12% and ¥12 trillion in assets under custody.

## Evolution of Business Structure and Expansion of Financial Assets Under Custody through the Progress of the Medium-Term Management Plan

The medium-term management plan is progressing very well, thanks to the efforts made over the past two and a half years. Particularly, what we would like to emphasize as our major achievement is that we have successfully mapped out a clear path to establishing a stable business and profit-earning structures that weather stock market fluctuations. Our business structure is becoming more resilient due to various measures we have implemented to enhance our financial capabilities. These measures include expanding our business for high-net-worth individuals under the “Orque d’or” brand; strengthening our Market Division, which serves as the profit engine of our securities company; expanding our derivatives trading; improving the profitability of our affiliated joint-venture securities operations; and introducing a personnel and

evaluation system tailored to portfolio sales. All our efforts to improve our business are already showing results in the form of an increase in the financial assets under custody. In the fiscal year ended March 2024, our Group achieved approximately ¥180 billion net inflow of Cash and Securities from individual customers. The growth of our high-net-worth business, the expansion of IFA (independent financial advisor) transactions, and the diversification of products and services, including securities-backed loans, have all led to a net increase in our assets. Considering that many large and medium securities companies had negative or flat performances in terms of net inflow of cash and securities, the result of ¥180 billion net inflow indicates that our Group’s management measures have proved to be in line with the needs of the market.

## Expectations and Cautions concerning Financial Markets Sensitivity to External Factors

When considering the future of financial markets, it is crucial to acknowledge that we are living in an “era of division.” The prolonged conflict in Ukraine, the increased geopolitical risk from Israel’s invasion of Gaza, and other potential risk factors such as the US-China trade frictions and the US presidential election may have a significant impact on the management of financial institutions. Consequently, market uncertainty has reached unprecedented levels. In these uncertain times, how should we respond, and how can we ensure liquidity, the lifeline of financial institutions? We understand that appropriate decision-making in response to external environmental changes is crucial for our Group’s management. This means we must remain vigilant at all times. Contrary to the increasing severity of the international situation, the Japanese and American stock markets are currently enjoying

a period of historical buoyancy. The surge in stock prices is driven by an extremely strong momentum, almost like a whirlwind. In the US, predictions suggest that the Dow Jones Industrial Average could reach 50,000 dollars within the next two years. In Japan, the shift to an inflationary economy is becoming a certainty, with the government beginning to implement a series of policies aimed at encouraging personal asset-building. However, we should not unconditionally trust or be optimistic about the current market trends. We aim to navigate the financial markets with a balance of expectation and caution, paying particular attention to three key concerns for Japan’s economy: the economic decline due to a decreasing population, the significant government debt negatively impacting credit ratings, and the reduced competitiveness of Japanese industry, gradually reflected in the unstable international balance of payments.

## Securing Management Capability and Profit Earning Structure That Anticipate Changes in the Business Environment

In the securities industry where we stand, profound transformations are occurring that will fundamentally change the way companies operate. Peers in the industry started making new attempts for survival such as “Zero Revolution” (no-fee on equity transaction)

launched by prominent online securities companies and full-scale integration well underway between banks and securities. As the population ages and birthrates decline, there is an increasing need for segmentation strategies that address both asset

accumulation (formation) and de-accumulation (withdrawal and liquidation). Given these circumstances, our Group must maintain a stable financial base by focusing on increasing assets under custody and concurrently promoting management strategies that value the efficiency of dealing with assets under

custody, invested capital, and human capital. Our focus will remain on building a profit-earning structure that anticipates future trends, utilizing the unique knowledge and expertise we have gained through innovative management, and emphasizing the improvement of our ROE and per-head metrics.

## Initiatives to Enhance the Management Base for Accelerated Strategy Execution

Our Group is now focused on further strengthening our management system by enhancing governance, maximizing human capital, and implementing full-scale digital transformation (DX) initiatives. In terms of governance, we are intensifying our efforts to enhance its effectiveness. This includes strengthening the Board of Directors’ functions and re-evaluating appointment and remuneration processes, aiming to establish a management system that realizes both transparency and agility. As for expanding our human capital, we are promoting initiatives aimed at increasing employee engagement. The said initiatives include supporting employees in obtaining MBAs and introducing a personnel and evaluation system that broadens opportunities for specialist personnel to play an active role. With respect to digital transformation (DX), we are actively making efforts to leverage digital technology in two primary ways: “DX that aids our Company’s operation” and “DX as new business ventures.” In DX that aids company operation,

we utilize digital technology to enhance work efficiency. Additionally, digital tools are actively installed in marketing and various data analyses. Regarding DX as a new business venture, we are pursuing the creation of new businesses based on AI and digital technology. This includes investing in Money Design, a company specializing in robotic advisor services, and establishing CHEER Securities, an online securities firm exclusively serving smartphone users. However, with the progress of the Zero Revolution, simply buying and selling stocks via smartphones can hardly be expected to contribute to our consolidated earnings. Therefore, we plan to “monetize DX” by actively developing non-commoditized products and services, such as STO (Security Token Offering) for raising funds and non-fungible tokens (NFT). We aim to transform these digital functions into collaborative projects with Powerful Partners and others, using them to create new value.

## Initiatives for Sustainable Economic Society

In recent years, people have come to believe that contributing to the sustainability of the natural environment and economic society is essential for a company’s survival. Our Group, which has been committed to creating new social value for many years, has adopted “Social Value & Justice comes first” as our action guideline in formulating our medium-term management plan. Our actions are rooted in the principle of “doing things for the good of society,” and we are committed to upholding

social justice in our management and business development. Under this basic policy, we are focusing on developing financial products and services related to ESG and the SDGs while accelerating our efforts to achieve each of the SDGs. We will continue to thoroughly execute sustainability-conscious management and business operations, and contribute to the formation of a sustainable economic society.

## Message for Our Stakeholders

Delivering value to stakeholders, particularly by returning profits to shareholders and investors, is a fundamental mission of listed companies. We have consistently aimed to provide our shareholders with stable and continuous dividends, along with a unique shareholder benefits program. However, we now believe that the best way to maximize shareholder value and meet the expectations of all stakeholders is to achieve medium- to long-term growth by further advancing our value creation process. We have made steady progress in “The Caliber Enlargement as a Financial Service Provider,” as set in our medium-term management plan. We anticipate being able

to report on the progress of specific projects to our stakeholders soon, including our collaboration with Powerful Partners and the acquisition of New Bonanza. We, Tokai Tokyo Financial Group, are now forging uncharted territories in the financial business with its new management personnel. In my role as Chairman and Representative Director, I will persist in driving the Company toward “Growth Beyond Our Limits” while striving to maximize corporate value. I call upon all stakeholders to support our endeavors with excitement and expectation.



# TOP MESSAGE

Enter the New World “Beyond Our Limits”  
by implementing two strategies for business  
portfolio evolution: “The Caliber Enlargement  
as a Financial Service Provider” and “Deploying  
Key Measures to Reach the New World”

Masataka Sato  
President and Representative Director  
Tokai Tokyo Financial Holdings, Inc.

佐藤昌孝

## Practicing Management That Benefits All Stakeholders

Since joining the Tokai Bank (now MUFG Bank) in 1983, I have gained extensive experience both domestically and internationally in the financial sector, and in 2010, I joined our Group. Within the Group, I alternated workplace between this Company and Tokai Tokyo Securities. At Tokai Tokyo Securities, I primarily oversaw the Retail and Investment Banking Divisions, while at this Company, I was in charge of various groups including General Planning, Strategic Planning, and Digital Strategy. Subsequently, I served as the President and Chairman of Tokai Tokyo Securities, exerting my efforts to enhance its presence in the market and expand its business performance. Although I became President of the Company in April 2024, I have spent 27 years in the financial industry at a megabank and 14 years in our Group. I am currently responsible for executing strategies for the entire Group and overseeing management aimed at sustainable growth, leveraging the experience and knowledge I have gained throughout my career. This Company operates under a joint management system led by the Chairman and President. As such, I am cognizant that it is my mission as a manager to work together with the Chairman to create a New

World, a unique future for our Group, and to provide guidelines for achieving the mission. We will also strive to make our Company a place where every officer and employees can take pride in working here and share that pride with their families.

In undertaking the duty of management, we always bear in mind to practice management that promotes benefits to all stakeholders. As a company listed on the Tokyo Stock Exchange (TSE) Prime Market, it is only natural that we should prioritize initiatives to ensure stable dividend payments and increase share prices. However, as a corporate group that values its customers and aims to meet their expectations, all our executives and employees, including even those in duties not required of direct contact with customers, must perform their duties with a strong customer-first mindset and strive to excel in their roles. I believe the spirit of “Perfection in filling all the mundane basics” is paramount for us to carry out ordinary duties thoroughly as the norm. I see it as our essential duty to create and introduce new services to generate social value and support local communities’ development through various social contribution activities.



## A Year in Which Various “Sowing Seed” Efforts Resulted in Tangible Outcomes (Business Performance)

When I reflect on our business performance for the fiscal year ended March 2024, I believe we can assert that our “history of challenges” finally bore fruit in the spring of 2023, albeit with the tailwind that turned around the market. For the fiscal year ended March 2024, operating revenue exceeded the previous year’s results by approximately ¥16 billion, achieving a 10-year high. Both ordinary profit and profit attributable to owners of parent saw significant growth. Furthermore, the Group’s assets under custody grew steadily during the same period, surpassing the ¥10 trillion milestone for the first time.

The “customer segmentation strategy,” which the Group has been working on, has resulted in the further development of services tailored to the needs of customers in each segment. We have established the “Orque d’or” brand as a strategy for the wealthy customer segment, and advanced portfolio sales approach targeting the mass affluent segment that Tokai Tokyo Securities had led as the driving force. I think that the above-mentioned efforts together with the favorable market environment have caused customers to accept our services with a greater sense of satisfaction. I can say that the ongoing depreciation of the yen was also a factor because it renewed customers’ awareness of the importance of holding assets denominated in diversified foreign currencies.

## Our Strong Aspirations Are Encapsulated in the Term “Beyond Our Limits,” as We Strive to Revolutionize Our Business Model and Significantly Expand the Scope of Our Operations

Aspiring to become a corporate group that inspires Admiration and Respect, our Group is currently promoting the medium-term management plan “Beyond Our Limits.”

The New World, “Beyond Our Limits,” that we envision in the medium-term management plan represents the next stage of the financial business, developed through our core strategies of “The Caliber Enlargement as a Financial Service Provider” and “Deploying Key Measures to Reach the New World,” guided by the principle of “Social Value & Justice comes first.” The term “Beyond Our Limits” reflects our strong ambition to shape the next generation of the financial business.

One of our core strategies is “The Caliber Enlargement as a Financial Service Provider.” By focusing on our existing securities business, including Tokai Tokyo Securities and our affiliated joint-venture securities companies, we will enhance profitability, create a stable earnings structure, and achieve a

Moreover, within the Market & Platform Divisions, the ongoing development of the “sales and trading” business model, with the expansion of staff and product lineup undertaken since the mid-2010s, has significantly boosted profitability.

The joint-venture securities business, an integral part of the Group’s unique “platform strategy” implementation since 2007, faced a temporary downturn in performance for the fiscal year ended March 2023. However, it achieved a swift recovery in the fiscal year that ended in March 2024 with focused efforts such as; offering proposals for foreign currency-denominated assets investment through a portfolio-based sales approach, expanding both investment trust sales and transactions with high-net-worth individuals and corporate clients.

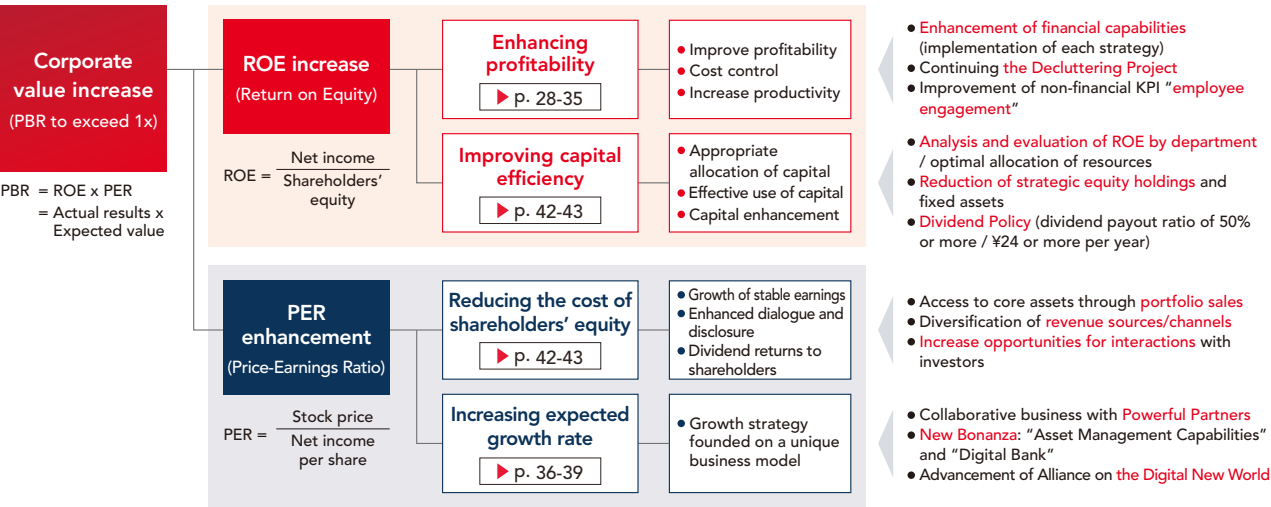
One of our productivity enhancement measures, “the Decluttering Project,” launched across the Group in 2023, is now well established. I believe these endeavors to boost productivity have firmly taken root in the workplace.

While there are still some issues to address, such as improving the income and expenditure of the digital companies, we believe this year marked a fruitful year where the Group’s efforts to “sow the seed” resulted in tangible outcomes and performance improvements.

productivity increase, which will then lead us to expand and strengthen the business foundation of our Group. Another core strategy, “Deploying Key Measures to Reach the New World,” is to revolutionize our business model through cooperation and collaboration with Powerful Partners, utilizing digital tools in CHEER Securities and TT Digital Platform, and acquiring new competencies such as banking and asset management with the New Bonanza initiative. We believe that we can significantly improve our Group’s business scale, customer base, and earnings foundation by advancing these two strategies synergistically.

The current medium-term management plan has reached the point where about two and a half years remain, and with an innovative management approach and a spirit of challenge, the Group will continue to do its utmost to achieve the goals set out in our plan.

### Logic Tree



## Promoting Management That Values Capital Efficiency and Cultivates Customer Trust, Using ROE and Financial Assets Under Custody as Our KGI Yardsticks

Since the Tokyo Stock Exchange made the relevant recommendations in June 2023, the management’s consciousness of the cost of capital and stock prices has emerged as the key theme that companies should prioritize. We have always been dedicated to efficient management, striving to ensure the optimal allocation of capital and its effective use. In our medium-term management plan, we have designated ROE, which reflects capital efficiency, and “assets under custody,” which indicates the scale of our business and customer bases, as our KGIs (Key Goal Indicators).

Although we are still midway in achieving our ROE targets, we plan to boost ROE by executing the two strategies, “The Caliber Enlargement as a Financial Service Provider” and

“Deploying Key Measures to Reach the New World,” and by thoroughly focusing on capital efficiency improvement as well. At the same time, we will persist in implementing measures to lower the cost of shareholders’ equity and boost the expected growth rate. This will lead us to an increase in the PER that reflects the expected value of shareholders and investors, thereby further enhancing our Group’s corporate value.

By the end of March 2024, our assets under custody reached around ¥10.9 trillion, positioning us firmly on the path to achieving our KGI of ¥12 trillion. We consider the net increase in assets under custody for individual customers, which exceeds that of some major securities brokerage companies, as proof of some notable trust we have gained from individual customers.

## Enhancing the Workability of Our Strategies and Measures by Developing Human Resources and Creating Opportunities for Employees to Fully Utilize Their Abilities

The term “human capital management” has gained frequent citations in the Japanese corporate world lately. I too believe that human resources are the driving force behind corporate growth. It is essential to both develop human resources and provide them with opportunities to excel. We are currently experiencing a period of historic change not only within

the securities industry but also across the financial industry in Japan and worldwide. While there is a consistent influx of new companies entering the financial industry from other sectors, competition within the sector itself is also intensifying. Instead of being confined to our traditional business sectors, we must strive to create new financial businesses and acquire new



capabilities to meet the potential needs of our customers. I believe that human resources possessing both humanity and expertise are the ones who can formulate and implement strategies to complete the said tasks.

Although the significance of AI and DX and their potential to replace humans (employees) are widely discussed, it will be evidently humans (employees) that utilize the most advanced AI and DX. The Group has implemented various training and education systems, including the Humanity Enhancement Program for supporting employees' personal development, a job-based personnel management system, and internal

recruitment to aid employees' career growth. These practices are aimed at developing the human resources who will shape the future of the Group. Consequently, our training and education expenses per employee rank among the highest in the industry. We will maintain our focus on strengthening our human resources base and further develop a system that empowers our human capital to take on challenges and boldly carve out their careers. We aim to achieve this by fostering human resources with the humanity and expertise characteristic of our Group and providing an environment where each individual can fully demonstrate their abilities.

## Contributing to Our Customers' Asset Formation and the Creation of a Sustainable Society through a Wide Range of Business Activities

Following the adoption of the Sustainable Development Goals (SDGs) by the United Nations General Assembly, it has become a fundamental mission for companies in Japan to contribute to maintaining the sustainability of the natural environment and socio-economic well-being. In keeping with this, our Group also established an SDGs Declaration in 2020, stating our policies to enhance its SDGs promotion and increase our social value through CSR activities. In 2023, we reviewed sustainability-related "Materiality" (critical issues that should be prioritized) and identified achieving good life management, innovation, partnerships, well-being, and green as our new key priorities. We are now fully committed to initiatives addressing

these issues.

As part of its efforts to date, the Company in 2021 endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), an international framework for climate change information disclosure. The Company is currently taking actions to minimize its environmental impact, targeting the achievement of virtually zero CO<sub>2</sub> emissions from its business operations by 2030. Our CSR activities encompass extending support to the preservation of traditional performing arts and promotion of sports foremostly in the Chubu region and addressing social issues by way of underwriting green bonds and other business activities. We also offer grants

to high school students in Aichi Prefecture for studying abroad or participating in overseas programs and support global human resource development initiatives at Nagoya University and Aichi Prefectural University.

Moreover, we have long supported companies, including startups, that are tackling innovation as a means of solving

social issues, through initiatives like the Open Innovation College we organized in Tokyo and Nagoya. In February 2024, we also opened the "Orque d'or Salon AOYAMA," which offers a venue dedicated to startup support. Thus, we, as an entire Group, are committed to supporting startups.

## Enhancing Our Governance Structure to Improve Corporate Value and Promoting Diversity to Foster a Vibrant Corporate Culture

To reinforce our management structure, we are concentrating on laying down an effective governance structure. Since the current Chairman was inaugurated as President of the Company in 2005, he has worked diligently to enhance the transparency and fairness of management by inviting experts with diverse backgrounds to serve as Outside Directors. Starting in 2013, the majority of seats of our Board of Directors have been occupied by Outside Directors, including that of the Chairman of the Board of Directors. We are constantly discussing what the Board of Directors and the Audit & Supervisory Committee should do to further enhance corporate value. As such, we are pursuing a more advanced governance structure that ensures greater adequacy in the management's decision-making competence and the supervision of management.

Further, we are actively promoting diversity. Ms. Naoko

Kitagawa, President of Tokai Tokyo Securities, was appointed as a Director of our Company in June 2024. Together with Director Ikeda, an attorney, the two women are now playing leading roles in the Company's management. Tokai Tokyo Securities also boasts a significant presence of women serving as Directors and Executive Officers. What is more, several female officers from our Company have been seconded to our affiliated joint-venture securities companies, where they are engaged in management. The ratio of female managers, which is one of our key performance indicators (KPIs), has been rising annually. Of course, diversity extends beyond merely the active participation of women, and what matters most is fostering a vibrant corporate culture by bringing together diverse personalities and opinions to cause a positive "chemical reaction."

## Striving to Create a Corporate Group That Is Loved and Trusted by Our Stakeholders

The history of our Group has been a "history of challenges," as we opened new territories and new businesses. I for myself faced various challenges at the Company and Tokai Tokyo Securities, and I have found that these challenges have proven to be great assets in fulfilling my current responsibilities as a manager.

Of course, challenges involve risks, but we believe that visualizing and appropriately managing those risks, and boldly investing in growth areas, have been embedded in the Group's DNA since its inception. This is a legacy we hope to pass on to the next generation. Our management philosophy is stated in the catchphrases "exciting company," "ever-learning company," "company nurturing a sense of fellowship," "company with integrity" and "strong and resilient company." Our unique alliance strategy, featuring our affiliated joint-venture securities

companies, is a testament to our corporate culture that values our partners. We will continue to run our Company feeling respect for our diverse stakeholders, including customers, shareholders, investors, business partners, employees, and local communities.

The Group has achieved steady growth to date with generous support from stakeholders. Our unchanging role is to provide all stakeholders with the unique value of the Group and contribute to the development of the economy and society. I will keep talking with the Chairman, Directors, Executive Officers, and employees, to ensure that we remain a corporate group that is loved and trusted by our stakeholders. I sincerely ask for your continued understanding and support.





# Our History

## The Group's History



## Medium-term Management Plan

Innovation  
Jump up 5TT  
Revolution

Ambitious 5

New Age's,  
Flag Bearer 5*"Beyond Our Limits"*

## Evolution in Expansion of Uniqueness

### Expansion of Foundation

Alliances and provision of securities functions with regional financial institutions and other companies in the securities industry

**Oct. 2007**  
YM Securities opened**May 2010**  
Nishi-Nippon City Tokai  
Tokyo Securities opened**Nov. 2008**  
Hamagin Tokai Tokyo  
Securities opened**Sep. 2013**  
Senshu Ikeda Tokai  
Tokyo Securities opened**Sep. 2016**  
ACE Securities becomes  
an equity-method affiliate**Jun. 2019**  
Juroku Tokai Tokyo  
Securities opened**Jan. 2017**  
Hokuhoku Tokai Tokyo Securities opened**Apr. 2017**  
Tochigin Tokai Tokyo Securities becomes  
a joint venture securities company**Apr. 2017**  
Takagi Securities acquired as a subsidiary**Apr. 2021**  
ACE Securities and  
Maruhachi Securities  
converted to our subsidiaries**Oct. 2021** Financial product  
intermediation operation  
started with FIDEA Holdings**May 2022** Tokai Tokyo  
Securities (surviving  
company) and ACE  
Securities merged**Powerful  
Partners**

### Enhancement of Functions

Advancing securities functions and expanding new functions

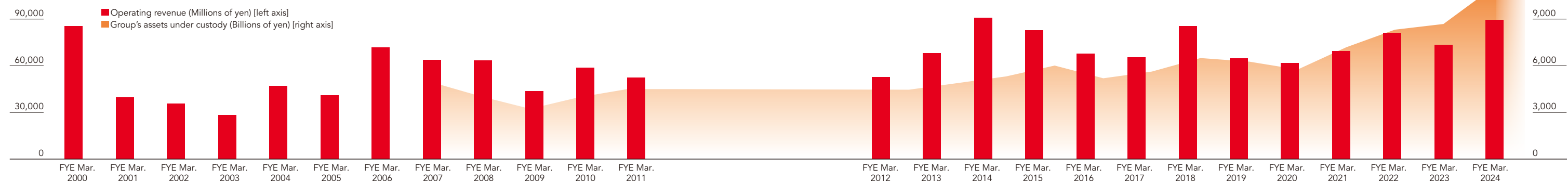
**Mar. 2007**  
Customer Support Center established**Jun. 2007**  
Fund Wrap account service started**Jun. 2007**  
Derivatives business started**Oct. 2007** Global Market Company  
started supplying products to joint  
venture securities companies**Jan. 2011**  
Online trading  
started**Oct. 2015**  
Provision of information and consulting support to joint venture  
securities companies started (Tokai Tokyo Wealth Consulting)**New  
Bonanza**

### Subdividing targeted segments

Provision of optimal services for customer needs

**Mar. 2007**  
Midland Premier Salon opened**Apr. 2010**  
Merger with TOYOTA Financial  
Services Securities  
=> Provision of "on-site services"**Apr. 2013**  
The Sales Division of the Head  
Office was renamed as the  
Wealth Management Division**Apr. 2012**  
Direct Channel Division  
established**Nov. 2015**  
Orque d'or, a new service  
brand for high-net-worth  
individuals, was created**Mar. 2016**  
Orque d'or Salon  
(NAGOYA) opened**Apr. 2018**  
Orque d'or in Tokyo  
started operation**Apr. 2019**  
Orque d'or Salon TOKYO opened**Sep. 2019**  
IFA Company founded**Feb. 2024**  
Orque d'or Salon  
AOYAMA opened**The Caliber  
Enlargement  
as a  
Financial  
Service  
Provider**

## Changes in operating revenue and Group assets under custody





# At a Glance

## Features of Tokai Tokyo Financial Group

### 01 Full Range of Securities Functions

#### ● A System That Enables Us to Respond to a Wide Variety of Customers

In order to meet the needs of both individual and corporate customers, Tokai Tokyo Securities, the Group's core subsidiary, has established the Retail Company and Wealth Management Company focused on individual customers and face-to-face communication, the Corporate Sales Division (Global Market Company) and Investment Banking Company for corporate customers, and the IFA Company for independent financial advisors. In order to expand our services to more people, we are also developing the smartphone-based brokerage firm called CHEER Securities and affiliated joint venture securities.

#### ● A System That Enables Us to Provide a Wide Range of Products

In addition to stocks, bonds, and investment trusts, the Group has a system in place to provide a wide variety of products such as STOs, derivatives, and securities-backed loans.

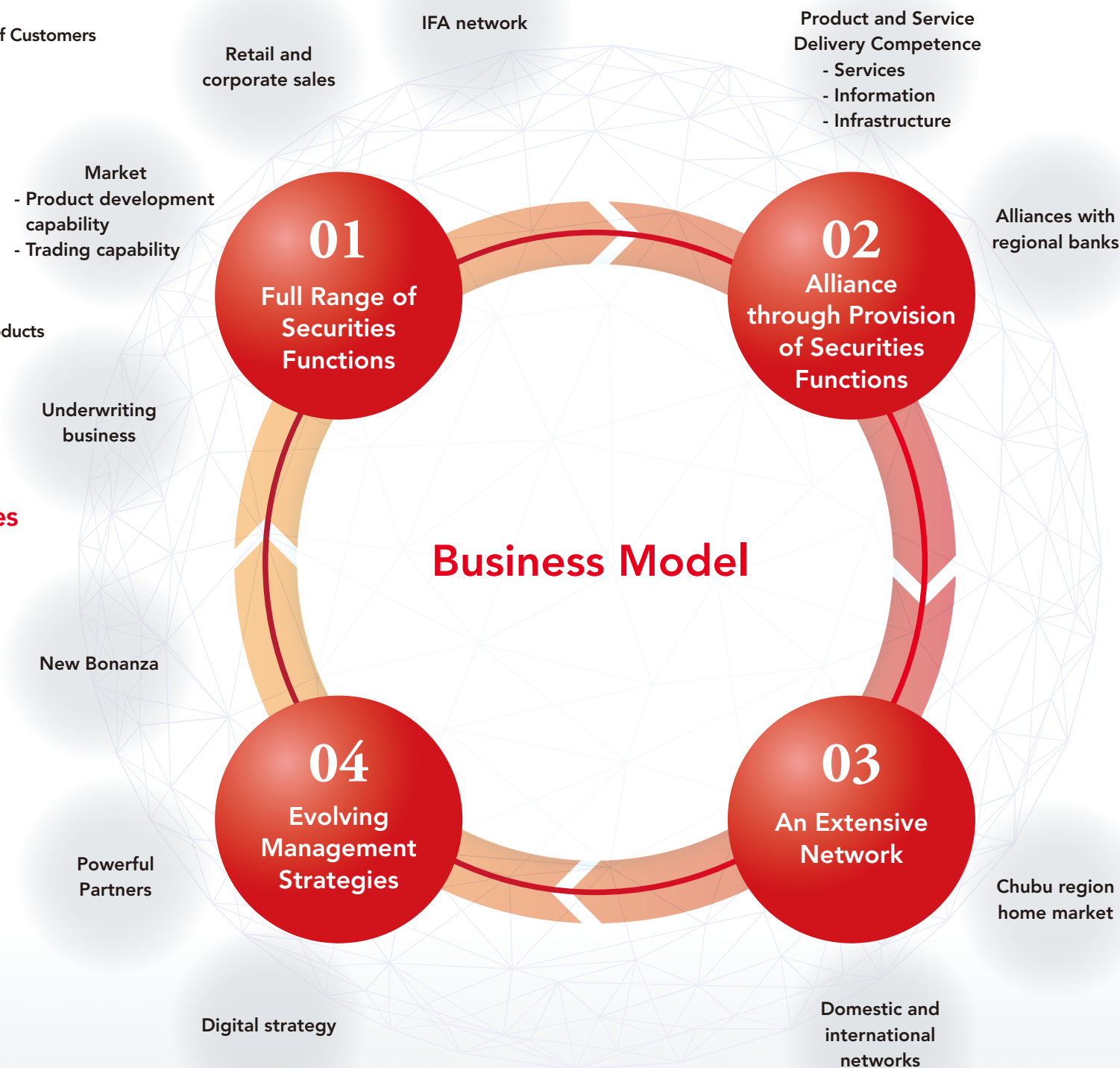
### 04 Evolving Management Strategies

#### ● Digital Strategy

The Group constantly hones its technological capabilities in the digital domain and develops new businesses. Amid the recent proliferation of smartphones and digitalization progress, CHEER Securities, a smartphone-based brokerage firm, provides financial services that meet the needs of asset-formation customers. We offer services essential for regional revitalization by way of Tokai Tokyo Digital Platform and such services include healthcare functions and digital gift certificates for local governments. In October 2016, we established a digital department to improve customer service using AI-based database marketing, simulation system "diagnosing" for an inheritance, and asset management analysis tools. We are developing the "Digital New World" to contribute to the growth of the economy in the region where the Group operates by achieving results from the alliance strategy and digital-related investments we have been working on to date.

#### ● Powerful Partners

As a strategy that has evolved from our existing alliance strategy, we aim to further grow and expand our business base through alliances and collaboration with leading companies and organizations in other industries called Powerful Partners.



### 02 Alliance through Provision of Securities Functions

#### ● Affiliated Joint Venture Securities Companies with Regional Banks

Since establishing YM Securities in October 2007 in partnership with the Yamaguchi Financial Group, we have built partnerships with major regional banks for more than 15 years. As of March 31, 2024, we have a total of seven affiliated joint venture securities companies through joint investments with major regional banks.

#### ● Platform Strategy

Leveraging the know-how gained through affiliated joint venture operations with regional banks, we offer a platform with the products, infrastructure, functions, etc., necessary for the securities business to peer securities companies. As of the end of the FYE March 31, 2024, we supplied products like foreign stocks, foreign bonds, and structured bonds bundled with the related handling systems and we offered services such as employee training to 67 securities companies.

### 03 An Extensive Network

#### ● Developing a Nationwide Network through Alliances, Expanding from Our Home Market in the Chubu Region

Tokai Tokyo Securities, a subsidiary of the Company, operates its branches located mainly in Aichi Prefecture. We have 131 sales offices, including those of Tokai Tokyo Securities, seven affiliated joint venture securities companies, and Maruhachi Securities.

#### ● Overseas Network

The Group operates five wholly owned local subsidiaries in the world's financial centers of New York, London, Singapore, and Hong Kong. In addition, through joint ventures and business alliances with leading local financial institutions, the Group now strives to improve customers' convenience and increase its earnings through various activities such as developing financial products in-house and collecting and distributing investment information.



# Value Creation Process

Toward becoming a corporate group worthy of **Admiration** and **Respect**

We will aim to achieve sustainable growth and increase corporate value by providing securities business platforms widely to various institutions via our unique network, viewing current major changes in society as chances for making our next stage of growth.

## Input



### Human Capital

- Abundant professional talent
- Talent with a rich sense of humanity who deeply understand and share our management philosophy
- Active investment in education



### Intellectual Capital

- Strengths as a comprehensive financial group
- Wealth of knowledge for making our alliance strategy work



### Social and Relationship Capital

- Network of branches centered on the Chubu region
- Well-developed alliance network
- Strong trust-based relationships with regional banks and other regional financial institutions



### Financial Capital

- Sound financial position
- Proactive and stable shareholder returns

## Business Model



## Output

Results for the fiscal year ended  
March 31, 2024

Corporate Division  
revenue

¥4.546 billion

Affiliated joint venture  
securities revenue\*

¥1.226 billion

IPO underwriting

¥4.971 billion

Assets under custody  
(Group)

¥10.959 trillion

Retail Sales Division  
revenue

¥48.332 billion

Market Division  
revenue

¥13.921 billion

\* Non-operating income by equity method

Orque d'or strategy

Mass affluent strategy

Medium-term  
Management Plan

More alliances  
Powerful Partners

Expansion of new  
financial functions  
New Bonanza

Digital New World

## Outcome

Target figures for the fiscal year  
ending March 31, 2027

### Group KGIs

- ROE: 12%
- Assets under custody: ¥12 trillion

### KPIs

"The Caliber Enlargement as  
a Financial Service Provider"

- Ordinary profit: ¥30.0 billion
- Assets under custody: ¥10 trillion
- Stable revenue;  
fixed cost coverage ratio: 20%
- Labor productivity per person:  
¥23 million

"Deploying Key Measures to Reach  
the New World"

- Ordinary profit: ¥6–10 billion

### Non-financial KPIs



- Reduce CO<sub>2</sub> net emissions by half  
(50% compared with FY2021)  
Net zero by 2030
- Social contribution activity expenses: 1%  
(compared with ordinary profit in the previous year)
- Customer-oriented  
(NPS\* of Tokai Tokyo Securities)  
20 pt improvement  
(compared with FY2021)
- Employee engagement: 63%
- Investment in education: 3%  
(compared with ordinary profit in previous  
year)

\*NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems. (Currently, NICE Systems, Inc.) It is an abbreviation of "Net Promoter Score®" and is a performance indicator that quantifies customer loyalty (measuring the degree of attachment and trust to a company or brand).



# Significant Capital and Our Strengths

The Group aims to contribute to the growth of our nation’s economy by fulfilling the role of a financial service provider to help customers with their wealth formation and capital enhancement. Based on this vision, our current medium-term management plan states the goals of “The Caliber Enlargement as a Financial Service Provider,” which focuses on strengthening the existing securities business, and “Deploying Key Measures to Reach the New World,” which aims to collaborate with Powerful Partners to acquire new functions. To realize these goals, we operate our businesses based on the recognition that “human capital”, “intellectual capital”, “social & relationship”, and financial capital are particularly important elements for our operations. To achieve sustainable capital growth and increase our corporate value, we aim to further utilize and enhance our capital and resources more effectively.

Important Resources for Operation	Competitive Edge	Capital Enhancement
<div> <b>Human Capital</b></div> <div><ul style="list-style-type: none"><li>Human resources to contribute to the growth of our nation’s economy by fulfilling the role as a financial service provider to help customers with their asset formation and capital enhancement</li><li>Human resources who always explore the potential for advancing their career paths and continue learning autonomously</li><li>Human resources who see changes as chances, not being afraid of them, and are ready to challenge new things</li></ul></div>	<div><ul style="list-style-type: none"><li>2,655 employees who deeply understand and share our management philosophy</li><li>Ratio of female managers: 17.5%</li><li>Abundant professional human resources<ul style="list-style-type: none"><li>Digital business professionals: 65</li><li>Wealth management professionals: 136</li><li>Market trading professionals: 243</li></ul></li><li>Active investment in education<ul style="list-style-type: none"><li>Annual per-capita investment in education (consolidated): ¥165,659</li></ul></li></ul></div>	<div><ul style="list-style-type: none"><li>Increase the ratio of female employees in management positions<ul style="list-style-type: none"><li>17.5% (actual) =&gt; 21.0% (target)</li></ul></li><li>Employee engagement score<ul style="list-style-type: none"><li>41.0% (actual) =&gt; 63.0% (target)</li></ul></li><li>Education and research expenses (compared with ordinary profit in the previous year)<ul style="list-style-type: none"><li>8.4% (actual) =&gt; 3.0% (target)</li></ul></li></ul></div>
<div> <b>Intellectual Capital</b></div> <div><ul style="list-style-type: none"><li>Accumulate knowledge and expertise in advanced product structuring and management execution</li><li>High level of expertise in executing the securities brokerage business (Tokai Tokyo Intelligence Laboratory, Tokai Tokyo Wealth Consulting, Tokai Tokyo Asset Management)</li><li>Marketing techniques tailored to customer segments</li><li>Expertise and knowledge required for building win-win relationships with alliance partners</li></ul></div>	<div><ul style="list-style-type: none"><li>Group capability to offer comprehensive financial services</li><li>Orque d’or brand service: at 3 locations (Non-financial services for high-net-worth individuals: 3,315 members)</li><li>Digital strategy: Digital New World Selected as DX Stocks company for 3 consecutive years (At the end of March in 2021, 2022, and 2023), selected as one of the Noteworthy DX Companies 2024 (4 digital-related subsidiaries were selected)</li><li>Financial platform (product lineup, product structuring capabilities, and functional subsidiaries that support the securities brokerage business)</li></ul></div>	<div><ul style="list-style-type: none"><li>Increase the value of the Orque d’or brand service</li><li>Acquire advanced knowledge and expertise in DX and deploy digital services</li><li>Human resource development aimed at upgrading product composition and business execution</li><li>Strengthen capabilities in research, solutions, and asset management</li><li>Strengthen our financial platform</li></ul></div>
<div> <b>Social and Relationship Capital</b></div> <div><ul style="list-style-type: none"><li>Geographical sales base centered on the Chubu region</li><li>Relationships of trust with regional banks</li><li>Fertile customer base (our own, joint venture partners, and platform partners)</li><li>Support for startup companies with a focus on open innovation</li><li>Services provided via digital technology</li><li>Overseas collaboration network</li><li>Active information delivery to shareholders and investors</li></ul></div>	<div><ul style="list-style-type: none"><li>Network of Group sales offices, centered around the Chubu region<ul style="list-style-type: none"><li>* Tokai Tokyo Securities, Maruhachi Securities 69 sales offices (34 stores in Aichi Prefecture)</li></ul></li><li>Well-developed alliance network<ul style="list-style-type: none"><li>Strong relationships of trust with regional banks 7 affiliated joint venture securities companies operating at 62 offices</li><li>IFA network: 225 companies</li><li>Overseas network: Covers 16 companies</li></ul></li><li>Communication for originating new alliances<ul style="list-style-type: none"><li>Powerful Partners</li><li>New Bonanza</li></ul></li><li>Conducting briefings for individual investors, institutional investors and analysts</li></ul></div>	<div><ul style="list-style-type: none"><li>NPS® +20 pt improvement (compared with FY2021)</li><li>Expand services mainly in Chubu region</li><li>Expand services for regional banks and affiliated joint venture brokerage firms</li><li>Expand digital services</li><li>Briefings for individual investors: 4 times</li><li>Briefings for institutional investors and analysts: 2 times</li></ul></div>
<div> <b>Financial Capital</b></div> <div><ul style="list-style-type: none"><li>Equity capital: ¥179.8 billion</li><li>Total assets: ¥1,400.3 billion</li><li>Group assets under custody: ¥10.9 trillion</li><li>Operating revenue: ¥89.2 billion</li><li>Ordinary profit: ¥18.3 billion</li><li>Tokai Tokyo Securities’ capital adequacy ratio: 369.3%</li></ul></div>	<div><ul style="list-style-type: none"><li>Sound financial foundation<ul style="list-style-type: none"><li>Equity ratio: 12.8%</li></ul></li><li>Group financial assets under custody: ¥10.9 trillion</li><li>Solid return to shareholders<ul style="list-style-type: none"><li>Dividend policy: 50% or higher dividend payout ratio on the consolidated financial reporting basis or the payment of dividends in the annual total of ¥24 or higher, whichever results in higher payment than the other. [Reference]</li><li>Dividend payment ratio (consolidated): 68.5%</li><li>Annual dividend ¥28</li></ul></li></ul></div>	<div><ul style="list-style-type: none"><li>KPIs attained as progressive values toward the goal of strengthening financial capabilities [Profitability improvement]<ul style="list-style-type: none"><li>Ordinary profit: ¥30.0 billion</li></ul></li><li>Assets under custody: ¥10 trillion [Stable profit structure]<ul style="list-style-type: none"><li>Stable profit/fixed cost coverage ratio: 20%</li></ul></li><li>[Productivity improvement]<ul style="list-style-type: none"><li>Labor productivity per employee: ¥23 million</li></ul></li></ul></div>

\* Actual: Figures as of FYE March 2024  
\* Target: Target value to be achieved for FYE March 2027

# Providing Value to Stakeholders and Our Initiatives

The Group is maintaining cordial relationships with our stakeholders, including shareholders and investors, to achieve sustainable growth and medium- to long-term corporate value improvement. We are actively engaging in dialogue with stakeholders, and incorporating their feedback to enhance our management practices.

	Policy	Initiatives
<b>Customers</b>	We are supporting our customers’ long-term asset-building activities by providing products and services tailored to their needs and risk tolerance on the basis of our long-nurtured resources and experiences.	<ul style="list-style-type: none"><li>Hosting seminars tailored to the preferences and lifestyles of our customers</li><li>Providing a wide range of financial products and services</li><li>Providing support for asset formation</li></ul> <div>▶ p. 57</div>
<b>Employees</b>	We are working to create a workplace that empowers all employees to actively contribute while promoting diversity, equal opportunity, and human resource development.	<ul style="list-style-type: none"><li>A rewarding work environment</li><li>Proactive human resources development</li><li>Adoption of a job-based personnel system</li><li>Career development (career design program, leadership training, HEP system, etc.)</li></ul> <div>▶ p. 46-51</div>
<b>Alliance Partners</b>	We will build a win-win relationship with our alliance partners by sharing our long-nurtured financial service capabilities with them to uplift the satisfaction level of partners’ customers.	<ul style="list-style-type: none"><li>Offering our expertise and knowledge in the securities industry</li><li>Offering diverse financial products</li><li>Providing highly specialized market information</li><li>Specialist personnel dispatch/training and human resources development</li><li>Support for operational, administrative and system-related matters</li></ul> <div>▶ p. 59</div>
<b>Local Communities</b>	We are dedicated to understanding the needs and issues of the people of local communities, regional financial institutions, and local governments. Through our business activities, we strive to address their problems and contribute to the development of the local economy. Additionally, we are actively promoting traditional cultural activities and supporting local sports teams as part of our effort toward regional development and societal contribution.	<ul style="list-style-type: none"><li>Organizing Tokai Tokyo Securities’ Open Innovation College</li><li>Cultural and artistic sponsorship</li><li>Professional sports sponsorship</li></ul> <div>▶ p. 58-59</div>
<b>Shareholders and Investors</b>	We are disclosing information in a timely and appropriate manner. By engaging in constructive dialogue with our shareholders and investors, we aim to sustainably improve our corporate value and ensure they understand our management strategies and initiatives.	<ul style="list-style-type: none"><li>General Meeting of Shareholders</li><li>Company information session for individual investors</li><li>Shareholder survey</li><li>Briefings on financial results</li><li>Shareholder benefits</li></ul> <div>IR Library <a href="https://www.tokaitokyo-fh.jp/en/investors/financial/">https://www.tokaitokyo-fh.jp/en/investors/financial/</a></div>



# Initiatives to Enhance Corporate Value

## Introduction

### 1 Strengthen and Refine the Market Division and Enhance Expertise

The mission of the securities business is to safeguard and enhance the value of customers' financial assets by directly addressing the challenges of "market dynamism" and "risks." To achieve this, we need to improve our education system and further strengthen and sophisticate our "market division" while also improving the expertise of our employees.

▶ p. 28

"Global Market"

▶ p. 46

"Human Resources Strategy"



### 2 Dominate the Target Customer Segment

Our Group is working to exert its dominance in the turbulent financial markets by identifying industry trends, identifying target customer segments, and developing measures to clearly differentiate ourselves from other companies in those segments and highlight the differences.

▶ p. 29-31

"Orque d'or Strategy"

"Mass Affluent Strategy"

▶ p. 36

"Powerful Partners"

Mega Banks,  
Major Securities Firms,  
Foreign-owned Companies

Ultra-High-  
Net-Worth  
Class

High-Net-  
Worth Class

Semi-High-  
Net-Worth Class

Upper Mass

**The remaining  
large market**

Online Securities Firms  
Telecom Companies

Mass Market

### 3 Strategy Promotion Based on "New Capitalism"

We are committed to fostering sustainable development by thoroughly comprehending the policies of the Japanese government, global dynamics, and the evolving demands of our times by engaging in an approach that is both proactive and pioneering.

- ▶ Promoting Japan's "Asset Management Nation" concept
- ▶ Regional revitalization
- ▶ Fostering of start-ups
- ▶ Promoting DX/GX
- ▶ Doubling Asset-based income Plan

▶ p. 32

"Investment Banking Business"

▶ p. 38

"Asset Management Capabilities"

▶ p. 38

"Digital New World"

▶ p. 33

"Affiliated Joint Venture Securities Companies"

▶ p. 31

"IFA Business"

▶ p. 30

"Mass Affluent Strategy"

▶ p. 37

"New Bonanza"

### 4 Development of Measures in Line with the Major Corporate Reform and Capital Improvement Megatrends

Japanese companies are undergoing major changes in response to requests from the Tokyo Stock Exchange for "Action to Implement Management that is Conscious of Cost of Capital and Stock Price." In light of this major shift, our Group will pursue appropriate capital policies and the advancement of governance systems.

▶ p. 6

"TOP MESSAGE"

▶ p. 42

"A Message from the Head of the Finance & Internal Supervision Division"

▶ p. 64

"Corporate Governance"





# Progress of the Medium-term Management Plan

In April 2022, the Group launched its medium-term management plan, “Beyond Our Limits,” to initiate a major transformation that differs from conventional financial models.

We raise two axes around which we propel the implementation of the management plan; one is “The Caliber Enlargement as a Financial Service Provider” and the other is “Deploying Key Measures to Reach the New World.” The former aims to enhance profitability, create a stable revenue structure, and improve productivity for existing securities brokerage businesses undertaken by Tokai Tokyo Securities and affiliated joint-venture securities companies. The latter aims to expand our business base through collaboration with Powerful Partners and the use of digital functions made available by CHEER Securities and Tokai Tokyo Digital Platform. Additionally, we will acquire new banking and asset management capabilities to execute our additional “New Bonanza” measures. We design all the measures stated here to reinvent our business model and drive further growth and expansion of our business.

KGI/KPI items		Main strategies and measures		Progress made during the fiscal year ended March 2024	Actual results for the fiscal year ended March 2024	Targets (FY2026)	
Group KGIs	▶ ROE	—		—	5.8%	12%	
	▶ Assets under custody*1	—		—	¥10.9 trillion	¥12 trillion	
Financial KPIs	"The Caliber Enlargement as a Financial Service Provider"	Improve Profitability	▶ Ordinary profit*2	<ul style="list-style-type: none"><li>● Orque d'or strategy &amp; Mass affluent strategy</li><li>● Access to customers' core assets through portfolio sales</li></ul>	<ul style="list-style-type: none"><li>● Portfolio proposals, proposals for holdings of foreign currency-denominated assets</li><li>● Performance recovery of affiliated joint venture securities</li></ul>	¥21.57 billion	¥30 billion
			▶ Assets under custody*1	<ul style="list-style-type: none"><li>● Development of JV business</li><li>● Expansion of the IFA business base</li><li>● Establishment of a sales and trading model</li><li>● Startup ecosystem</li></ul>	<ul style="list-style-type: none"><li>● Expansion of customer base through recruitment of new IFA agents and increase in the number of active sales staff</li><li>● Increased profitability from diversification of trading strategies</li></ul>	¥10.9 trillion	¥10 trillion
		Build Stable Earnings Structure	▶ Stable earnings/fixed cost coverage ratio*3	<ul style="list-style-type: none"><li>● Insurance business enhancement</li><li>● Increase in earnings of a recurring nature</li></ul>	<ul style="list-style-type: none"><li>● Development of insurance business through sales channels and product proposals tailored to customer segments and needs</li><li>● Expansion of earnings of a recurring and lasting nature through accumulation of investment trusts, fund wraps, promotion of securities-backed loans, etc.</li></ul>	21%	20%
		Increase Productivity	▶ Labor productivity per employee	<ul style="list-style-type: none"><li>● Improving operational efficiency by making use of digital tools</li><li>● Cost reduction by system integration and streamlining</li><li>● Reorganization of Group companies</li></ul>	<ul style="list-style-type: none"><li>● Increased profitability and productivity through proactive investment in DX</li><li>● Improved labor productivity by installing digital tools in the retail sales division</li><li>● Reorganization of four Group companies pursuing operational synergies and improved efficiency</li></ul>	¥21.5 million	¥23 million
	"Deploying Key Measures to Reach the New World"		▶ Ordinary profit*4	<ul style="list-style-type: none"><li>● Cooperation and collaboration with Powerful Partners</li><li>● Acquisition of New Bonanza</li><li>● Use of digital functions</li></ul>	<ul style="list-style-type: none"><li>● Cooperation and collaboration with Japan Post Bank</li><li>● Reorganization of Group companies to enhance asset management functions (Tokai Tokyo Asset Management's entire stock was invested in-kind to Money Design, making them an equity-method affiliate)</li></ul>	-¥3.1 billion	¥6.0–10.0 billion
Non-Financial KPIs	"Social Value & Justice" KPIs	For a better society	▶ CO <sub>2</sub> net emissions	<ul style="list-style-type: none"><li>● Use of recyclable energy</li><li>● Replacement of company cars with fuel-efficient vehicles</li><li>● Switch to highly energy-efficient lighting and air conditioning</li></ul>	<ul style="list-style-type: none"><li>● Installing electric vehicles</li><li>● The number of burning gasoline-only vehicles was reduced to 75% compared to the previous fiscal year</li></ul>	2,242 t	1,474 t (Reduction by half compared with fiscal year ended March 2022)
			▶ Social contribution activities cost	<ul style="list-style-type: none"><li>● Support for activities related to education, culture, and the arts, etc.</li><li>● Community contributions and disaster relief</li></ul>	<ul style="list-style-type: none"><li>● Support for reviving sports activities</li><li>● Support for educational and research initiatives</li></ul>	4.6% (Change in Ordinary profit compared to the previous year)	1.0% (Change in Ordinary profit compared to the previous year)
		Perfection in fulfilling all the mundane basics	▶ Customer-first (NPS® of Tokai Tokyo Securities Co., Ltd.)	<ul style="list-style-type: none"><li>● Customer-first business management</li><li>● Establishing branch office action goals</li></ul>	<ul style="list-style-type: none"><li>● Analysis of customer surveys</li><li>● Implementation of in-house training</li></ul>	+6.5 pt improvement	+20 pt improvement (compared with the fiscal year ended March 2022)
		Be exciting	▶ Employee engagement	<ul style="list-style-type: none"><li>● Support for challenges made by employees</li><li>● Developing a comfortable working environment</li></ul>	<ul style="list-style-type: none"><li>● In-house recruitment, Position Challenges</li><li>● Humanity Enhancement Program</li></ul>	41%	63%
			▶ Investment in training	<ul style="list-style-type: none"><li>● Wide-ranging skills development</li><li>● Support for personal development</li></ul>	<ul style="list-style-type: none"><li>● Scholarship granting to qualified employees to domestic and international MBA programs</li><li>● Acquisition of qualifications and licenses such as MBA</li></ul>	8.4% (Change in Ordinary profit compared to the previous year)	3% (Change in Ordinary profit compared to the previous year)

\*1 Refers to the balance of customers’ financial assets (including securities, deposits, and insurance) managed by the Group. We aim for a balance of ¥10 trillion to accomplish by the measures “The Caliber Enlargement as a Financial Service Provider” and ¥2 trillion by the measures “Deploying Key Measures to Reach the New World.”

\*2 Refers to ordinary profit of Group companies running conventional securities brokerage operations, excluding digital affiliates.

Five-year plan

## “Beyond Our Limits”





# “The Caliber Enlargement as a Financial Service Provider”

## Enhancing Profitability

The Group is working to increase corporate value by enhancing profitability, improving capital efficiency, reducing the cost of shareholders' equity, and raising the expected growth rate.

We are advancing various strategies to enhance profitability mainly of our existing securities business, including Tokai Tokyo Securities and affiliated joint venture securities companies, as per the initiative “The Caliber Enlargement as a Financial Service Provider” under our medium-term management plan.

### Tokai Tokyo Securities

## Global Market Company

The Global Market Company is made up of three divisions: a Market Division, a Platform Division, and a Corporate Sales Division. Prioritizing “sales and trading” as its basic policy, it provides a wide variety of product solutions to Tokai Tokyo Securities' companies,\* affiliated joint venture securities, and customers of the platform. (\*internally divided operating sections)

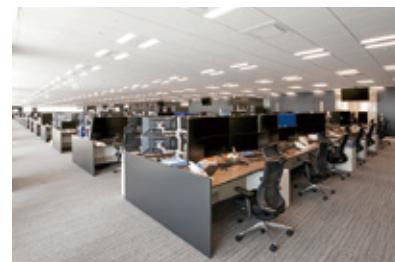
Under our medium-term management plan, we are suggesting customers to increase their share of foreign currency-denominated assets such as foreign stocks and foreign bonds for them to diversify the risk associated with financial asset portfolios from a global perspective. The balance of foreign currency-denominated assets, for instance, foreign stocks and foreign bonds held by our customers have doubled since the start of the medium-term management plan implementation, and increased transaction volume pushed up trading revenues. Additionally, we are steadily growing our client base transacting interest rate and exchange rate derivatives that serve as a key solution for our corporate clients. In doing so, we focus on attracting new clients, particularly import companies with substantial foreign exchange hedging needs.

Since the Tokyo Stock Exchange's call for “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” there has been a trend of companies selling their strategic equity holdings, and as such, we are working to strengthen our trading revenues from handling Japanese stocks in Tokai Tokyo Securities' home market of Tokai region and through collaboration with our affiliated joint venture securities companies and their parent banks. About domestic bonds, there has been a gradual trend among

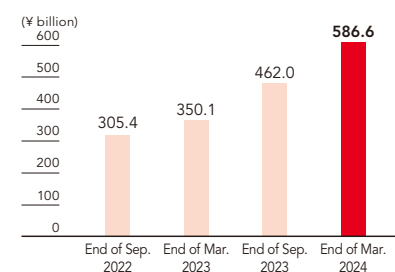
domestic investors to return to yen-denominated bonds after the ending of the zero-interest rate policy. Such a trend has caused us to focus on matching domestic bond transactions between major institutional investors and business corporations/ educational corporations, as well as between major institutional investors and regional financial institutions. In these ways, we are working to further strengthen business operations that target financial corporations.

In addition to expanding our current business operations beyond fiscal 2025, we will diversify our revenue streams by dealing with alternative products such as private equity and private debt besides the

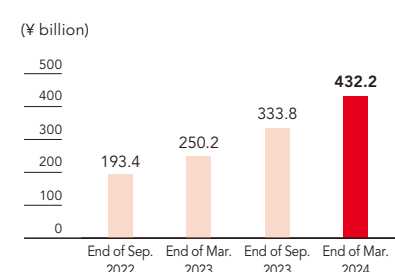
traditional product lines. We will also focus on arbitrage trading and lending businesses in new markets to be pursued by the Market Division to achieve a monthly operating revenue target of ¥3 billion.



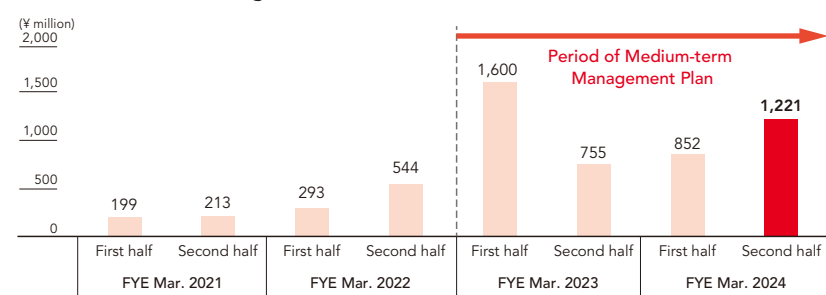
### Foreign equity assets under custody



### Foreign bonds assets under custody



### Interest rate and exchange rate derivatives - Gross revenue



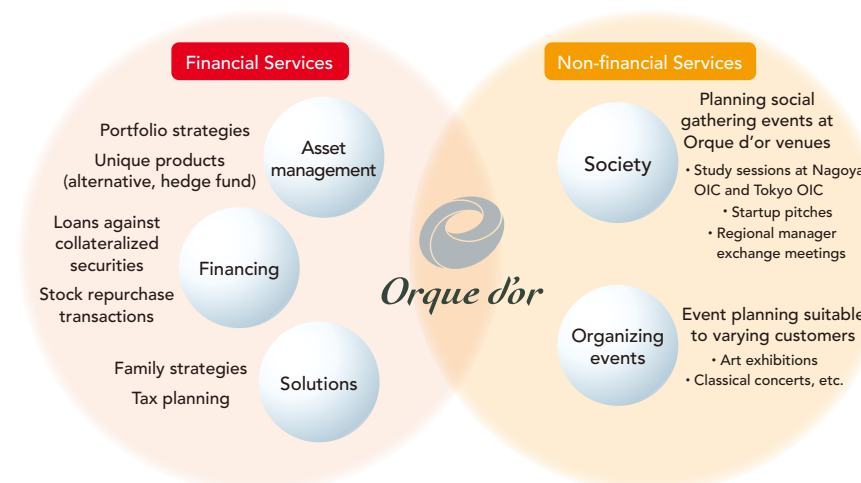
### Tokai Tokyo Securities

## Orque d'or Strategy

With Our Motto of Winning "Solid Trust," We Provide the Best Hospitality in the Finest Environments

The Orque d'or brand service, catering to high-net-worth individuals, provides one-stop solutions to the various tasks they face, including asset management, capital policy, inheritance, business succession, and real estate. Importantly, even while offering such business supporting services of a serious but prosaic nature to customers, we try to keep their time at Orque d'or platform essential with various service features that add refreshing color to their lives even when they are engaged in business.

We deliver to Orque d'or customers attentively crafted high-quality service that we have developed in our face-to-face style of brokerage sales operation. We aim to satisfy them with this unique business model.

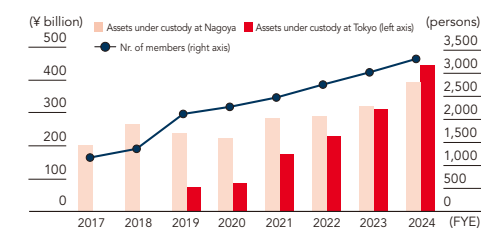


### Orque d'or Salons

We opened salons (Orque d'or Salons) for Orque d'or members in Nagoya in 2016, Nihonbashi, Tokyo in 2019, and Aoyama, Tokyo in February 2024.

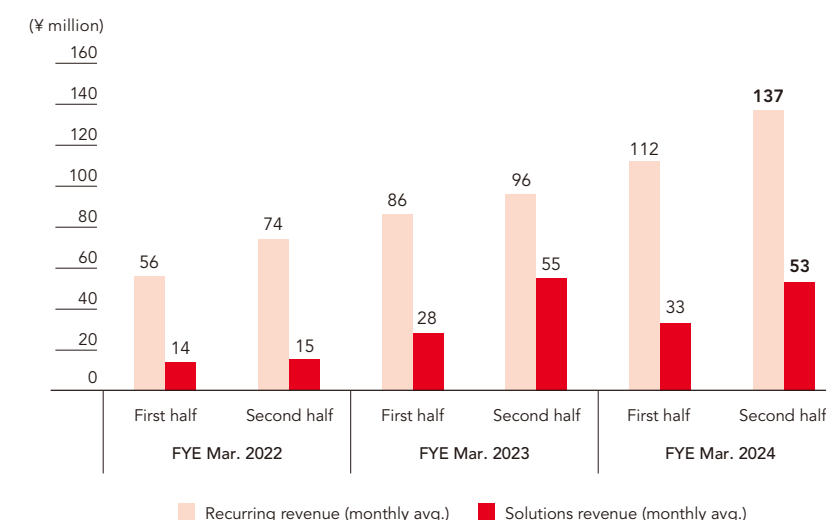
### Orque d'or assets under custody and number of members

¥843.5 billion 3,315 persons (as of March 31, 2024)



### Promoting Sales Activities Based on Customer Needs

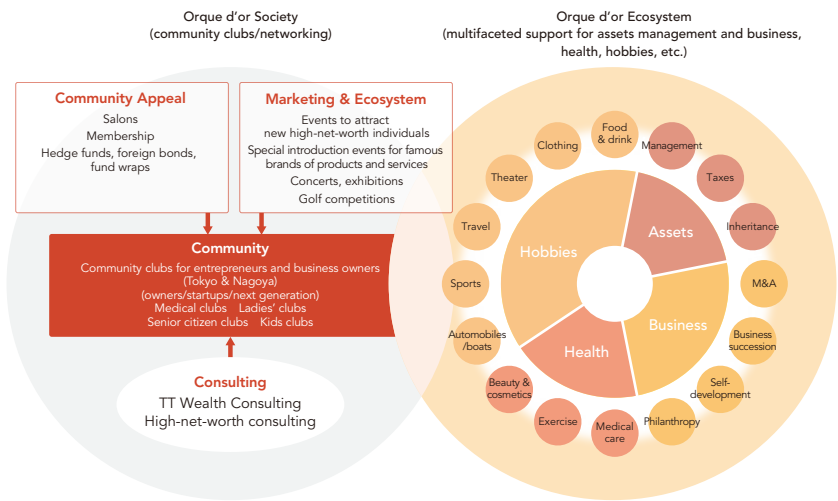
The Wealth Management Company, developer of the Orque d'or brand service, aims to expand its profitability and business base. To increase recurring revenue, we have boosted the sales of investment trusts and securities-backed loans that we can easily hold for the medium to long term. In terms of solutions revenue, we have strengthened our consulting-based sales by providing products and services that meet customer needs, such as real estate, inheritance, and insurance products. As a result, recurring revenue increased by 42% year-on-year and solutions revenue increased by 4% likewise in the fiscal year ended March 2024.





Building and Promoting the Orque d’or Community and Ecosystem

Orque d’or is actively developing business networking and organizing startup pitch events within a “community” centered around business owners, while also actively collaborating with companies from different industries that provide various services of interest to high-net-worth customers. In this way, we are building our own brand by developing and promoting an “ecosystem” that meets the needs of our customers.



Tokai Tokyo Securities

Mass Affluent Strategy

Since the previous term, we have been promoting a new strategy called the Mass Affluent Strategy. Recently, we have identified the surging need for self-reliant investment prompted by issues like the aging population and pension issues. Our Company aims to provide our customers with the most suitable products and services over the long term, from goal-based asset accumulation to systematic asset liquidation (decumulation), and thus to act as a portfolio manager for entire families, strengthening relations with the next generation.

Vision for the Mass Affluent Strategy



Key Points of Strategies

Digital Strategy

- Database marketing
- Productivity improvement

Product Strategy

- Portfolios
- Goal-based approach

Customer Strategy

- “Workplace” business
- Call center

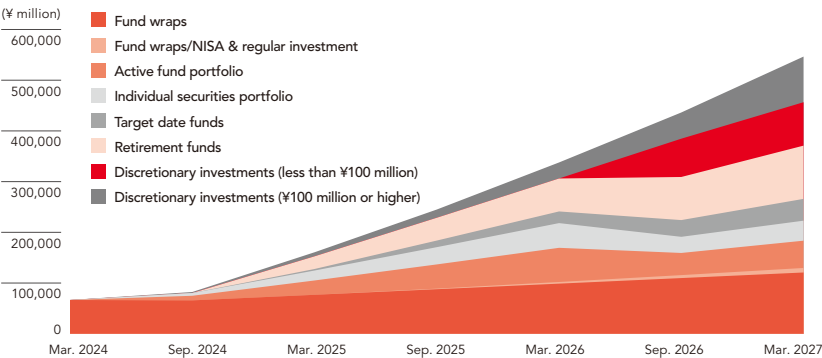
Good Service

- Lifestyle support

We are striving to expand our recurring earnings to establish a stable revenue-generating structure by providing better service to our customers.

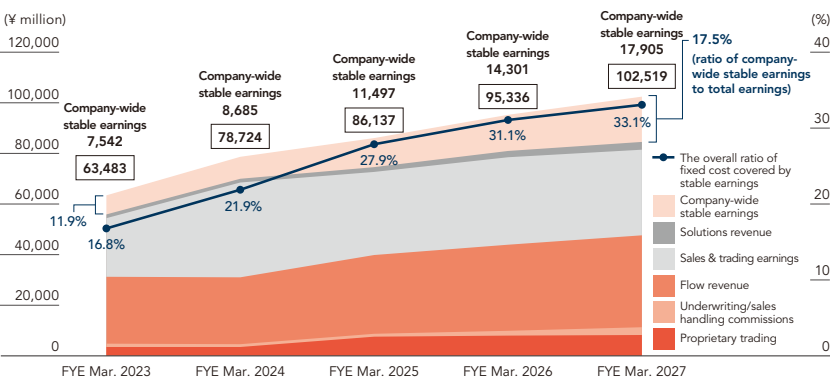
About the Mass Affluent Strategy implementation, we aim to stabilize the Company earnings and grow customers’ assets through measures such as emphasizing both enhanced portfolio proposal offerings and reinforced discretionary investment services.

Portfolio based asset – assets under custody - Projected changes



By the end of the final fiscal year of the medium-term management plan implementation, we will work to achieve sustainable earning operations as below; Increase the outstanding balance of financial assets under custody from ¥8.1 trillion (as of the end of March 2024) to ¥9.4 trillion through the acquisition of core assets, Increase portfolio assets balance likewise to grow stable earnings and hiking of the ratio of fixed cost covered by stable earnings from 21.9% (results for the fiscal year ended March 2024) to 33.1%.

Company-wide projected trends in the ratio of fixed cost covered by stable earnings



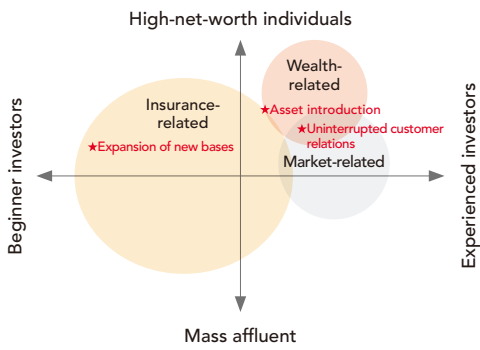
Tokai Tokyo Securities

IFA Businesses

In 2019, the Company entered the IFA business by inheriting the related business foundation from the former Takagi Securities. In 2022, we expanded our business base by integrating the former Ace Securities and developing new IFA business accounts. In order to grow our business base dramatically by efficiently enhancing the profitability and productivity of the IFA business, we have categorized IFA business operators by the type of industry they belong to and we are developing strategies that specifically match their respective properties and missions.

Segment Strategies for IFA Businesses

	Wealth-related	Market-related	Insurance-related
Features	Focus on offering diverse investment portfolio proposals, mobilizing many staff experienced in sales activities to high-net-worth individuals at foreign-owned securities firms and major financial institutions	Focus on offering asset management proposals that capture market trends right, assigning many staff with general securities sales experience	Focus on asset formation proposals that utilize NISA and investment trust savings, with staff working concurrently as insurance agents, etc.
Primary customer base	Ultra-high-net-worth and high-net-worth individuals	Matured demographic class (experienced investors)	Asset-formation/middle-class (beginner investors)
Mission	Asset introduction (growing assets under custody)	Uninterrupted customer relations	Acquisition of new accounts (expansion of foundation for the future)



Progress in the Expansion of IFA Business Foundation

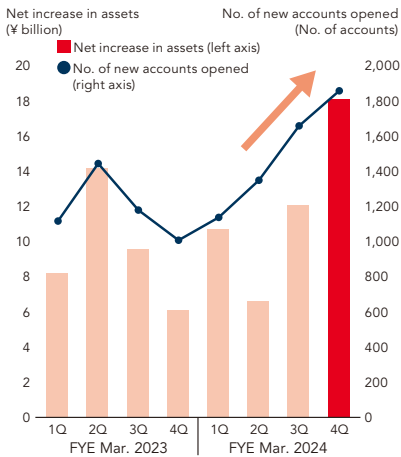
Wealth-related IFAs achieved significant growth in net increase in assets, driven by an increase in the number of sales representatives focusing on the sale of foreign bonds, which make up the core of portfolios for high-net-worth individuals, and reached ¥400 billion in assets under custody at the end of fiscal 2023 (144%

compared to the end of the previous fiscal year). In addition, we advanced the expansion of the customer base for the future by increasing new accounts of asset-formation and middle-class customers, assisted by the need for the new NISA, particularly, with the help from insurance-related IFAs.

Future Initiatives

To achieve constant growth of the sustainable IFA business, we expand dramatically IFA business by further advancing our platform functionality and clearly differentiating ourselves from competitors. Toward that end, we will emphatically demonstrate the

superiority of our products and services that can be nurtured only by running face-to-face brokerage operations, our advanced compliance system, and our precisely attentive support.





Tokai Tokyo Securities

Investment Banking Business

The Investment Banking Company provides a variety of solutions for corporate clients, such as Straight Bonds underwriting, IPOs, M&A advisory services, and others and the business activities addressing corporate accounts have been expanding in recent years.

Regarding Straight Bonds underwriting, we have been boosting corporate bond business lately, focusing on handling municipal and electric power bonds. We have a track record second only to that of major securities companies in the subject area.

About our IPO underwriting operations, we tactically set a focus on small- and mid-cap deals that major competitors stay away from, and we support IPO issuers that are small in size but have excellent business models. As a result, we have achieved a certain decent position in the IPO underwriting business area.

Bond league table for the year ended March 31, 2024 (covering all newly issued bonds)

\*In terms of the number of bonds underwritten of which issuing conditions determined from April 1, 2023 to March 31, 2024

6th Tokai Tokyo Securities

IPO underwriting league table for the year ended March 31, 2024

\*In terms of the number of bonds underwritten of which issuing conditions determined from April 1, 2023 to March 31, 2024

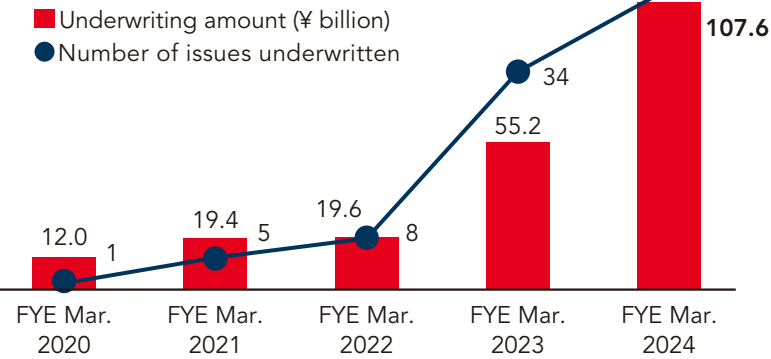
8th Tokai Tokyo Securities

Resolving Social Issues through Bonds

Natural disasters have occurred lately more frequently than in the past, and their impact on developing countries is getting severe. By managing the issuance and underwriting of JBIC’s disaster prevention and recovery bonds, we, the Company, as a financial institution, are contributing to the resolution of social and environmental issues from a global perspective.

\*SDGs bonds: Green bonds, social bonds, transition bonds, sustainability bonds, etc.

SDGs bonds\* underwriting performance



About our M&A advisory, we provide services on the basis of bundled collaboration across our Wealth Management Company, Retail Company, and others, supporting the transactions related to business succession.

In addition, we have been working with outside auditing firms and consulting companies, and have achieved results in the deals involving TOB agents through the referrals made by such outside parties.

Furthermore, to take on new business operations, we established an “STO Center” in 2021 as a department dedicated to handling STO operations, and a “Startup Support Office” in 2023, as a department specializing

in extending support to startup companies.

Since our first STO underwriting work in fiscal 2021, we have issued a total of five STs (as of the end of March 2024), achieving the fifth-highest both in terms of number of deals and value in the industry.

In February 2024, our startup support business established a facility at Orque d’or AOYAMA where promising startup companies can meet. We have prepared a number of support options for those startups, including business matching and others.

In the Chubu region, we have also entered into agreements with Nagoya University and STATION Ai, one of the largest incubation

facilities in the Chubu region, and are carrying out startup support activities that are rooted in local communities.



Affiliated Joint Venture Securities Companies

For over 15 years, since forming a partnership with Yamaguchi Financial Group to establish YM Securities in October 2007, the Company has been building relationships with major regional bank groups. The Group’s reputation was gained for the functional capability we manifested in the form of products we developed, human resources we trained, expertise we accumulated, and more. Thanks to the said recognition, we have successfully advanced the operation of affiliated joint venture securities companies now embracing as many as seven major regional bank groups as partners as of the end of March 2024.

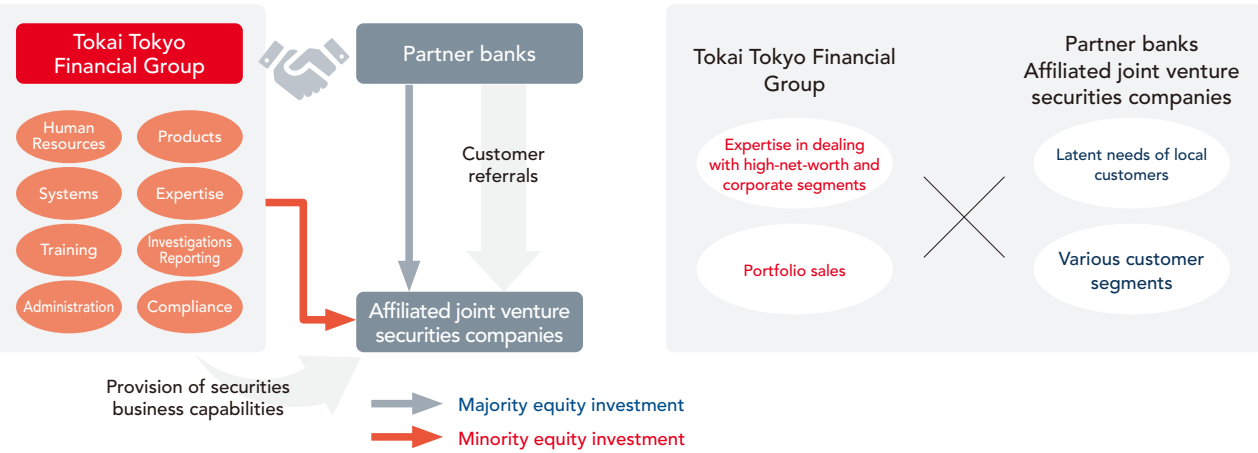
Currently, each of such affiliated joint venture securities companies is engaged in

businesses such as portfolio sales tailored to individual customers’ assets, and offering proposals for high-net-worth individuals and corporate clients. To assist the said JV companies, we provide training programs, market information, and new products. Further, Tokai Tokyo Securities has sent staff to support such companies’ sales to high-net-worth individuals and corporations by accompanying their sales staff when visiting their customers. As such, we have been able to help uncover the latent needs of customers and develop solutions that contribute to the profits of regional bank groups.

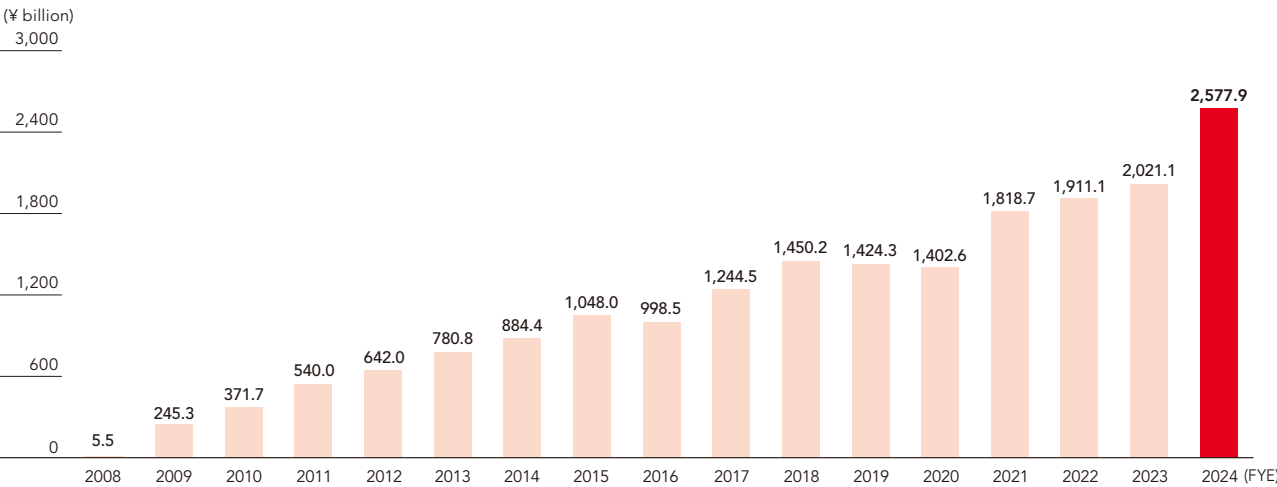
As a result of these measures, the total assets under the custody of the seven

affiliated joint venture securities companies reached ¥2,577.9 billion as of the end of March 2024.

Moving forward, we aim to contribute to further deepening the banking-securities alliance with major regional bank groups by offering new business models that enhance the value of major regional bank groups and affiliated joint venture securities companies. Furthermore, we will strive to grow the earnings of the entire Group by creating a synergy effect by offering functions to each other and exercising collaboration across the Group, for instance, with the Global Market Company in Tokai Tokyo Securities, to begin with.



Affiliated joint venture securities companies – Growth of assets under custody





Stable Revenue Base

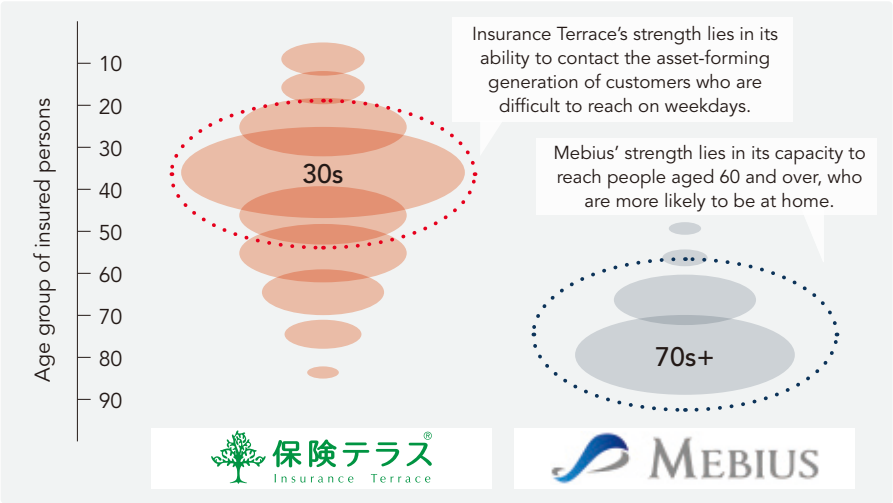
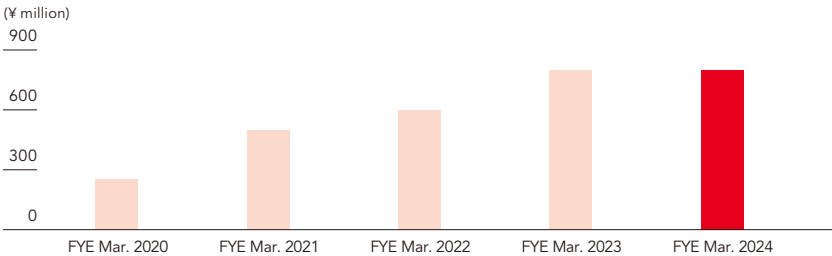
Insurance Vendors

In 2017, the Company acquired ETERNAL, an operator of a "shop visit" type of insurance sales called Insurance Terrace as a wholly owned subsidiary. In October of the same year, ETERNAL acquired Mebius, an insurance agency specializing in telemarketing-based insurance solicitation, as a subsidiary. Both companies now play a central role in our Group's insurance business.



They each target different customer segments and extend their sales activities to suit the respective segments of customers and they continue making their share of the stable earnings for the Group.

Insurance vendors (ETERNAL, Mebius) ordinary profit (consolidated)



Productivity Improvement

Decluttering Project

In January 2023, we formed within the Company, the “Decluttering Project,” an in-house advisory organ, in which participation is arbitrary. The purpose is to reform decisively the way how we manage revenue and expenditure instead of just

repeating the current practice indefinitely. The participants discuss the pros and cons of each submitted proposal from a broad perspective and think hard about optimal resource allocation. The allocation, of course, should be directed to businesses that create

more value for the Group. In the fiscal year ended March 2024, the project held discussions on more than 100 cases, which addressed actual cost reduction not only for the Company but also for the Group such as Tokai Tokyo Securities and others.

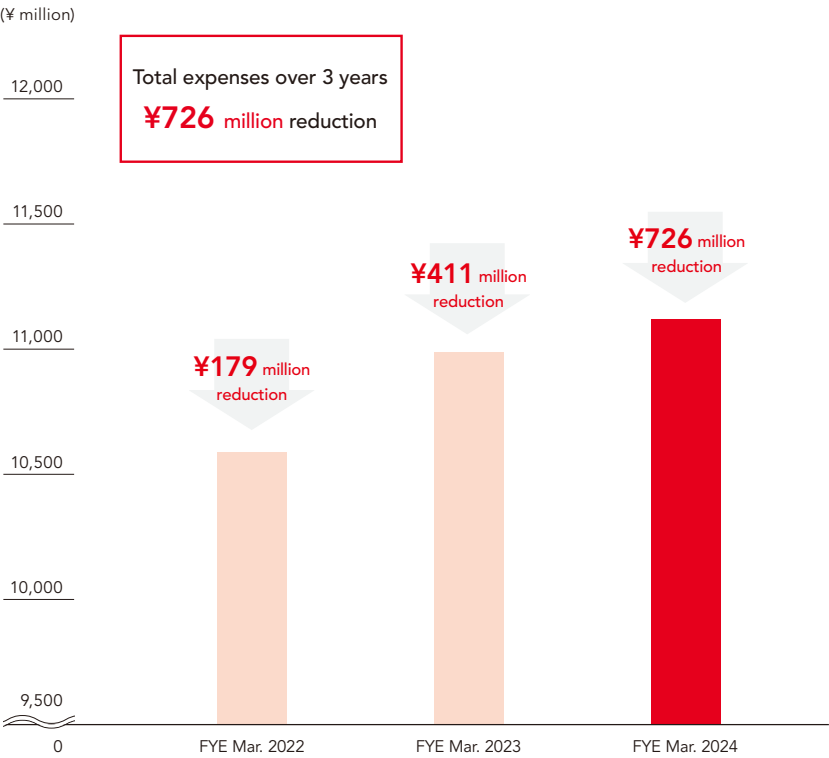
Reorganization of the Group and System Investments

From the standpoint of business portfolio optimization, the Group is currently reorganizing its group member companies to pursue further operational and cost synergies in the Group to build a drastically more efficient operating structure. In December 2023, we combined Tokai Tokyo Asset Management, a subsidiary operating an asset management business, and Money Design, an equity-method affiliate specializing in asset management with robo-advisors. This integration has created a unified management structure that now serves as the core company for the Group's asset management capabilities. In addition, in February 2024, Tokai Tokyo Research Institute

and Tokai Tokyo Academy were merged, and we are working to create new value by organically combining the content both companies possess, such as investment data and training programs. In June of the same year, a subsidiary engaged in M&A advisory, TT Solution, and Tokai Tokyo Securities were also merged to create an efficient operating structure for our M&A business. With regard to system investments, we will improve profitability and competitiveness by focusing on so-called “aggressive investments,” which include strategic investments and DX projects as per our medium-term management plan, in addition to investments essential for compliance and

security protection. Furthermore, Tokai Tokyo Securities is also working to reduce costs, and in fiscal 2023, it reduced annual system expenses by approximately ¥300 million through the cloudification and integration of servers at the time of system installations and updates, as well as conducting a review of existing systems and other cost optimizations thoroughly. In addition, over the three years starting in fiscal 2021, Tokai Tokyo Securities has reduced costs by a cumulative total of approximately ¥700 million and it has instead invested its saved resources in installing more effective systems and services.

Changes in Tokai Tokyo Securities system expenses



Cost reduction results for the fiscal year ended Mar. 2024

—¥315 million

Breakdown: Existing —¥275 million  
New —¥40 million

- Reduction of existing expenses  
Discontinued systems/services (–133)  
System review during updates (–80)  
Reduction via ID inventory count (–21)  
& others
- Reduction of new expenses  
System review during updates (–15)  
Cost control via price negotiations (–22)  
& others

Cost reduction results for fiscal year ended Mar. 2023

—¥232 million

Breakdown: Existing —¥221 million  
New —¥11 million

- Reduction of existing expenses  
System review during updates (–122)  
Reduction in core system usage fees (–64)  
Reduction of information devices (–19)  
& others
- Reduction of new expenses  
Cost control via price negotiations (–11)  
& others

We will continue to work to improve our services for customers and to build a group corporate structure that contributes to the improvement of corporate value.

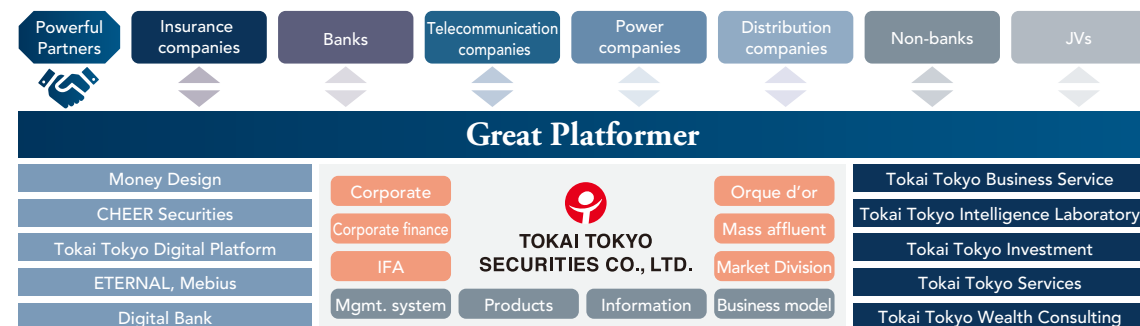


# “Deploying Key Measures to Reach the New World”

## Increasing the Expected Growth Rate

Increasing the expected growth rate is one of the key measures we take to go beyond our limits as per the current medium-term management plan. Toward that purpose, we will elevate our business model to the one unprecedented. In so doing, we leverage the digital capabilities that CHEER Securities and Tokai Tokyo Digital Platform possess, acquire new functions, and collaborate with Powerful Partners.

**Great Platformer** As a Great Platformer delivering integrated finance, we aim to form business alliances with Powerful Partners.



## Powerful Partners

To realize what the current medium-term management plan aims for, namely, going “beyond our limits” and business expansion, strengthening our conventional financial business of the Group alone is not sufficient. We will cooperate and collaborate with leading Japanese companies, which we call Powerful Partners. In other words, we must reach the customers of Powerful Partners and offer them our financial capabilities and know-how cultivated to date as a Great Platformer. Then, we must create a new untapped market for us and build win-win relationships beneficial to both ourselves and the parties.

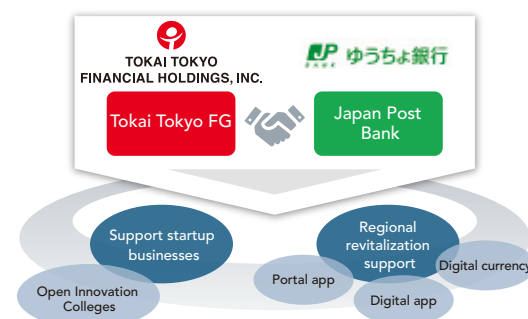
### TOPICS Support Startups with Japan Post Bank

In July 2023, three parties—Japan Post Bank Co., Ltd. (“Japan Post Bank”), a Powerful Partner; the Company; and our subsidiary Tokai Tokyo Digital Platform, a regional revitalization platform business operator—signed a basic agreement on collaboration aiming to achieve activation of local economy and regional revitalization. In November 2023, the Company entered a memorandum of understanding among the parties for collaboration and cooperation in supporting startups. We have begun serious discussions since then.

To date, the Group has been working on various measures for solving social issues by helping primarily startups take on the challenge of innovation and supporting the activation of regional economies and revitalization of local communities. We positioned the said measures, as “Materiality” (priority issues). Meanwhile, Japan Post Bank intends to leverage its formidable nationwide network and facilitate the development of the regional economy by circulating funds in local areas through a variety of frameworks and strengthening relationships. As these initiatives by Japan Post Bank conform to the idea and direction of our Group, we believe there is a great significance in furthering collaboration and business cooperation between the two toward the regional revitalization that both are aiming for.

Japan Post Bank participates as a core member in the program, Open Innovation Colleges in Tokyo and Chubu hosted by us. They thought the program would serve them a stepping stone for advancing the Σ Business they promote. We are now discussing with the bank how to establish a variety of systems to support startups.

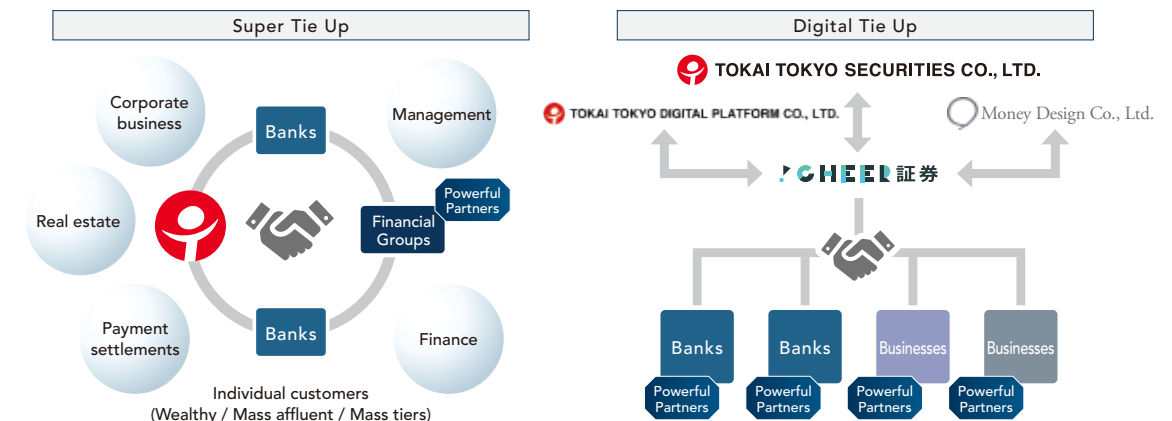
In addition, as part of our collaboration in the digital field, CHEER Securities concluded an advertising business entrustment agreement with Japan Post Bank, and distributed ads of “Omakase Management” (discretionary investment management) on Japan Post Bank’s “Bankbook App”. Going forward, we will work together to expand our financial business.



### TOPICS Other Forms of Alliances with Powerful Partners

As for other patterns of alliances with Powerful Partners, we are currently studying with multiple Powerful Partners over other forms of alliances such as “Super Tie Up”, under which we supply not only asset management but various financial products and services to the vast base of customers and pursue synergies in all-out

collaboration in all fields, and “Digital Tie Up”, under which we build alliance around our digital service competencies like smartphone-based securities functions, aggregation functions, and robo-advisor functions which are all developed and owned by the Group’s DX companies. (As of September 30, 2024)



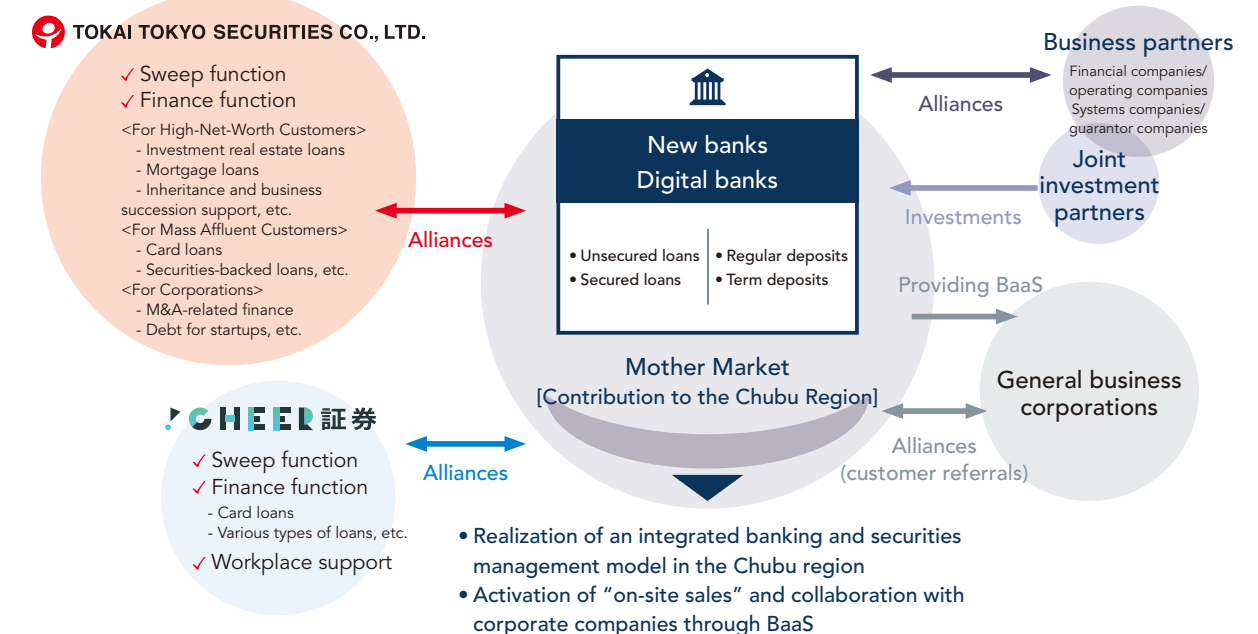
## New Bonanza

While we run the securities business as our core operation, we believe we must acquire banking functions and strengthen our asset management capability to provide a much wider assortment of financial services to our customers and seek stable earnings increase.

### Banking Functions

We consider that banking service capability or deposit taking and money lending, if added to our operation, would enable us to respond to the diverse needs of our customers and provide one-stop support for their sound asset formation over the medium to long term and cash flow management that is incidental to asset management.

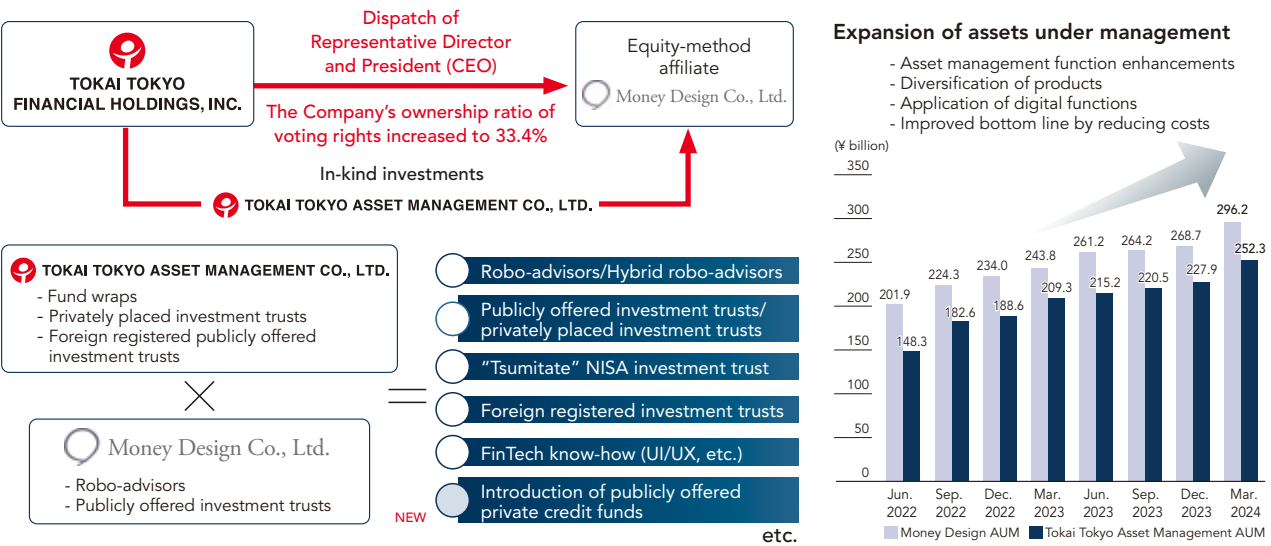
Furthermore, such a service expansion, we think, will contribute to complementing and revitalizing regional finance by creating new finance functions through collaboration with partners located mainly in the Chubu region in varying business fields rather than those solely in banking and securities. Such collaboration will facilitate the said contribution process, for instance, by providing BaaS and activating “on-site sales.”





Asset Management Functions

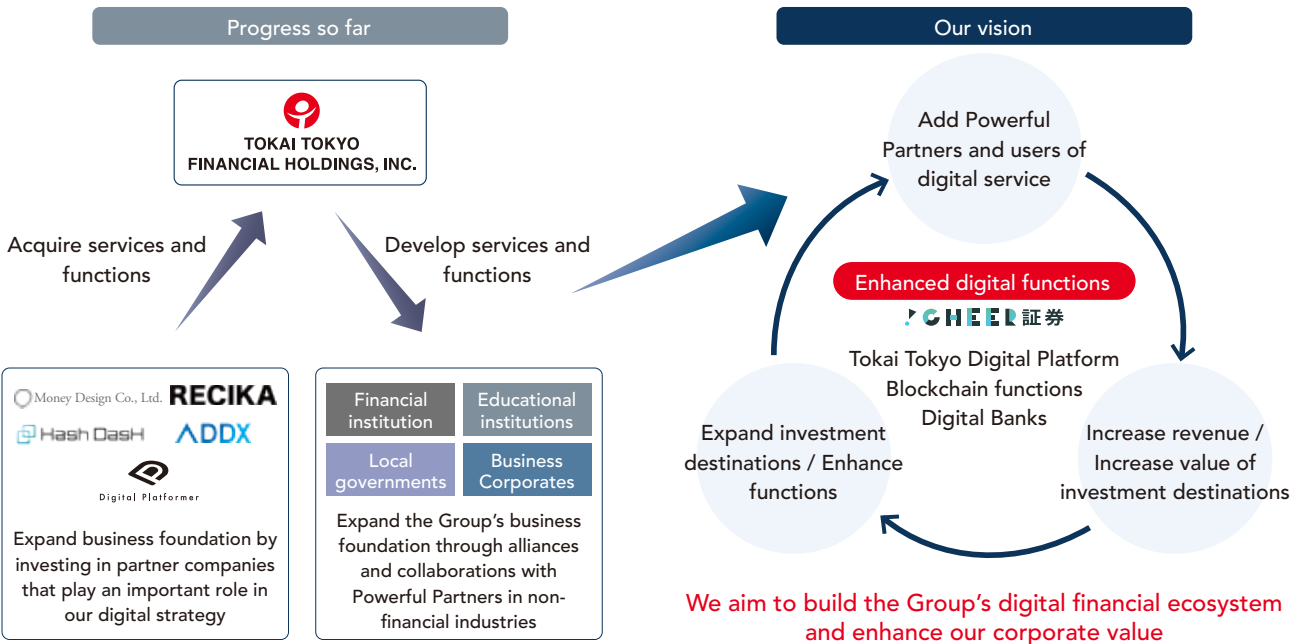
In December 2023, Money Design acquired Tokai Tokyo Asset Management as a subsidiary to complement mutually the strengths each company has cultivated in their respective business areas and further improve asset management functions. In May 2024, we increased our share holdings in Money Design to 33.4% and dispatched a Representative Director and CEO. These actions signify the Group’s efforts to strengthen its asset management function. By positioning Money Design as the core driver of this function, we deliver more attractive products and services to customers of Tokai Tokyo Securities, affiliated joint venture securities companies, and CHEER Securities. This is the way the Group will play an important role in advancing the future alliance strategy and expanding the Group’s digital services, while also contributing to attaining stable earnings growth.



Digital New World

We raised the catchphrase, the Digital New World, in our medium-term management plan, and have been working to improve profitability and corporate value by collaborating with Powerful Partners, investing in the digital sector, and raising operational efficiency through the use of generative AI. In the current fiscal year, which marks the halfway point of our five-year plan, we will contribute to the expansion of the Group’s geographical operating area by receiving a payoff from the alliance strategy and digital-related investments that we have been grappling with thus far.

Digital New World Realization Story



CHEER Securities

In addition to its existing work of introducing securities functions into the regional bank applications, CHEER Securities recently distributed advertisements in collaboration with Japan Post Bank and TEPCO i-Frontiers with the aim of acquiring new customer contact points. Going forward, we will continue to consider strengthening our

collaborative services with the aim of further improving customer convenience. In addition, in order to provide a rich investment experience to customers who use the CHEER Securities app through this collaboration, we are continuously working to expand functions such as the “Omakase Management” service in cooperation with our affiliate Money

Design, support for the new NISA, and the introduction of the fixed-term purchase service “Tsumitate.”



Tokai Tokyo Digital Platform

We are working jointly with partner banks on the business associated with the hometown tax payment program led by local governments and we will expand the number of partner banks going forward to assist regional revitalization. Further, we developed the “YORISO” workplace application in-house and

conducted a trial use within the Group as a step to assume the role of the Group’s digital strategy implementation. The app consists of two functions: “the Asset Formation Portal,” which runs various goal-based simulations, and “the Human Resources Portal,” which uses generative AI to resolve employee questions and

give consultations. We designed the app to be used easily by employees as a tool to enhance their welfare and to improve their financial literacy. We are planning to roll out the app soon to financial institutions and business corporations.



Focus on the Web3.0

Web 3.0 was clarified in the policy of the Japanese government dubbed “Economic and Fiscal Management and Reform 2024”, and its market is expected to grow in the future. We have been working to expand the lineup of securitization products utilizing blockchain technology, such as STO, which is a digital security. Particularly, the Company has been an industry leader, initiating investments in ADDX in Singapore in 2019 and Hash Dash Holdings, an operator of STO platform, in Japan in 2020. In January 2022, we established a special department, “STO Center” within the Investment Banking Company at Tokai Tokyo Securities. The purpose is to differentiate our Group

from our peers by accessing a niche market which major players do not dare to do, and create products convenient and worthy for both originators and investors. In addition, in July 2024, we conducted a proof-of-concept for selling NFTs (non-fungible tokens) that represent divided ownership of whisky barrels into multiple owners. Through these initiatives, we will deepen our knowledge of NFT needs and social media promotion, and achieve the development of new services. Going forward, we will continue to focus on the 3.0-related businesses preparing for the coming new digital society, with the ultimate aim of increasing the corporate value of our Group.

Hanyu Single Malt TTFH collab NFT design





## A Message from the President

## Tokai Tokyo Securities

Promoting the Establishment of  
a Distinct Earnings Base as a Core  
Member of the Group

Naoko Kitagawa

Tokai Tokyo Securities Co., Ltd.  
President and Representative Director

北川 尚子

Management Strategies with Originality  
and New Strategies

While many securities companies have recently focused on high-net-worth business, we have been early adopters of “customer segment strategies,” offering services that meet the specific needs of each segment. Catering to affluent customers, we launched our exclusive membership private banking service under the “Orque d’or” brand in 2015. Subsequently, we opened the “Orque d’or Salon” for members in Nagoya in 2016, and expanded to Nihonbashi, Tokyo in 2019. “Orque d’or”’s fan base has grown significantly, earning us notable recognition. In February 2024, we launched our third salon, “Orque d’or Salon AOYAMA,” in Aoyama, Tokyo. Unlike the Nagoya and Nihonbashi salons, which cater exclusively to the affluent customers, the Aoyama Salon is designed to foster synergy between affluent customers and start-up companies. By encouraging interaction between “Orque d’or AOYAMA” members and young Jeunesse entrepreneurs, we aim to create business matching opportunities such as collaboration and investment, and we hope to create new value at the “Orque d’or Salon AOYAMA” through such new initiatives.

The growth potential of semi-high-net-worth class, defined as individuals with financial assets between 30 million yen and 100 million yen, is garnering global attention. This segment is distinguished by its large number of households and the rapid expansion of financial assets, driven by the inflation-induced asset effect. In light of this, we aim to provide the Mass Affluent—recognized as the “volume zone and new growth area” directly below high-net-worth customers—with optimal portfolios and appropriate products and services tailored to their life stages and asset situations. Simultaneously, we are committed to actively developing new businesses and services that leverage digital technology.

Since last year, some online securities firms have begun offering commission-free trading, suggesting that the concept of commissions may gradually disappear. For our Company, which primarily engages in face-to-face sales, the emphasis must now be on how we can improve the value of the services and products we provide to our customers. For example, customers approaching retirement face the challenging decision of how to withdraw assets to supplement any shortfall in future pensions. This process, known as “decumulation,” often requires professional guidance. We aim to offer accurate advice, products, and services as added value for these customers to manage their retirement assets, extend the life of their assets as much as possible, and enjoy their retirement years with peace of mind.

Pursuing Further Enhancement of  
Value Provided

To support the goal “The Caliber Enlargement As A Financial Service Provider” of our medium-term management plan, we are concentrating on establishing a stable earnings structure and boosting our earnings capacity centered on our existing businesses. Along with our previously mentioned “customer segment strategy,” our IFA business has become an industry leader in terms of the number of contracted agents, bolstered by the mergers with the former Takagi Securities and the former ACE Securities. This has increasingly become a distinctive strategy for our Company. Observing industry trends, it is evident that the Tokyo Stock Exchange’s request regarding corporate capital policies has accelerated the reduction and unwinding of cross-shareholdings in response. Owing to this, we have also seen an increase in MBOs and TOB cases, and I think this is becoming a new strategy for our Investment Banking Company and Market Company. The Bank of Japan’s decision to end its negative interest rate policy has also led to a review of JGBs (Japanese government bonds). This has become an important opportunity for our Company to generate earnings.

There has been a steady shift from a brokerage-based business to a fee-based business centered on stock, and we are seeing progress in business diversification. We are conscious of the fact that we are establishing a business structure and earnings structure suitable for the next generation of financial and securities businesses.

Improved Sense of Unity between  
Management and the Field through  
Thorough Dialogue with Employees and  
Discussions among the Officers

Having served as president of Tokai Tokyo Securities for a year and a half, I value maintaining a flexible mindset and a challenger spirit in our management approach. Given the intense competitive environment with major securities companies and bank-affiliated securities companies, it is essential for us to listen carefully to our customers’ opinions and swiftly develop and provide products and services to demonstrate our presence. The rapidly evolving landscape for securities companies highlights the importance of embracing new ideas and approaches, rather than adhering strictly to traditional methods. As part of our recent initiatives, we have begun distributing investment education content on YouTube. This effort aims to assist individuals with little to no investment experience by providing engaging and accessible financial education. While there are other companies working on similar projects, we have set up a new official YouTube channel featuring popular comedians, and the content is geared towards those who are new to investing and have no

experience. While there were diverse opinions within the Company, I personally felt compelled to embrace new challenges. I decided to pursue this project with the hope that it would encourage many people to start investing.

It is also important to ensure the employees understand new initiatives when they are launched. During the coronavirus pandemic, it was difficult to meet and talk with employees, but recently we have been actively holding town hall meetings to hear directly from employees in the field. Going forward, we will continue to implement management that maintains a sense of unity with those in the field.

The Trend from Savings to Investment  
and Our Role

In all the years since I started working, I have never seen such a strong shift in the trend in Japan from “savings to investment” as I have now. Of course, financial education is the kind of customer support that can turn this trend mainstream, and that means working for the customer. We want to make sure that we firmly establish this notion within our Company. We have a strong desire for our employees to be regarded with the same level of respect as securities salespeople in the United States, and to that end, we will continue to work on employee education and training to ensure high levels of expertise and reliability. We want to be a “family portfolio manager” that can be entrusted with comprehensive household financial asset management, and we want our Company to be “a corporate group that our employees feel a sense of admiration and respect towards.” We will remain committed to closely monitoring the latest economic and financial trends, implement effective business strategies, and strive to enhance our corporate value.





## A Message from the Head of Finance & Internal Supervision Division

### A Message from the Head of Finance & Internal Supervision Division

The Group's financial strategy, which facilitates the execution of the medium-term management plan "Beyond Our Limits," will become increasingly important

**Yasuyoshi Oomi**

Managing Executive Officer, Head of Finance & Internal Supervision Division,  
General Planning Group  
Tokai Tokyo Financial Holdings, Inc.



### Looking Back on the Financial Results for the Fiscal Year Ended March 31, 2024

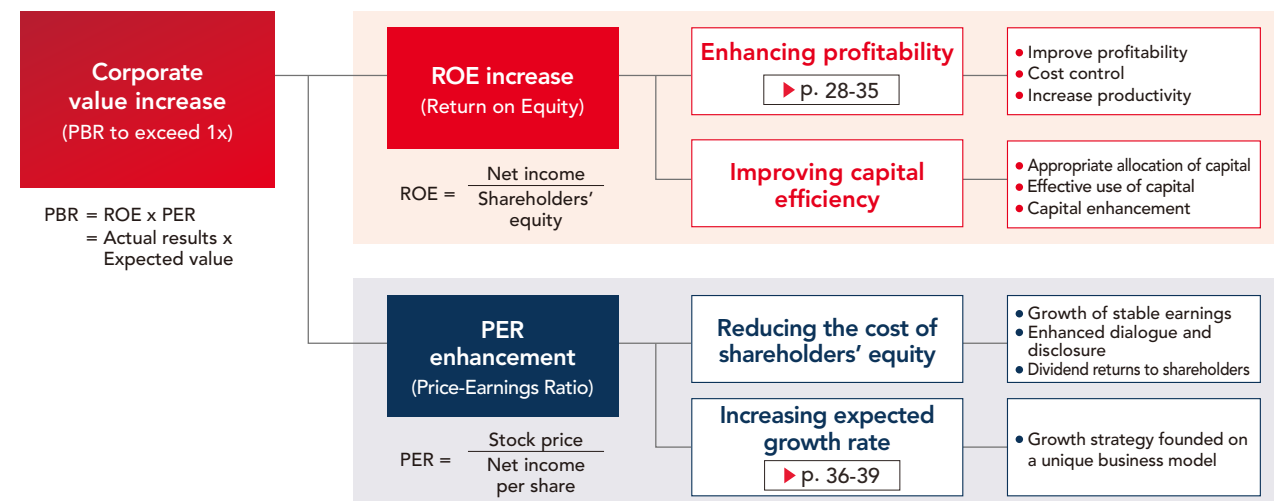
Against rising share prices in Japan and the United States, particularly in the second half of the fiscal year, we achieved higher revenues and profits, with operating revenue reaching its highest level in 10 years. Each of the Group's securities companies accomplished a significant year-on-year increase in revenues from brokerage commissions and the trading of stocks and other securities due to an increase in domestic and overseas stock transactions. While investment costs associated with our digital strategy continue to arise, we are currently in the process of continuing negotiations to move toward the full-scale launch of the alliance-based business. Furthermore, we have reached the ¥10 trillion mark in assets under custody for the first time as a result of the expansion of both our customer base and our product and service lineup, which is an achievement that we believe will lead to further growth and expansion of our business in the future.

### Promoting Corporate Value

We, the Group, are working to achieve our medium-term management plan (hereafter the "medium-term plan"), dubbed "Beyond Our Limits," over the five years since April 2022, and we are advancing efforts to achieve dramatic growth in our unique business model. As part of this, we have set an ROE target of 12% as a Group KGI for the fiscal year ending March 2027. To achieve this KGI, we must do more than focus merely on the current business model we are engaged in. We consider it essential to reach "Beyond Our Limits" and "New World" based on two strategic principles: "The Caliber Enlargement as a Financial Service Provider" and "Deploying Key Measures to Reach the New World." I believe that these strategies and other ongoing initiatives, including collaboration with Powerful Partners, will greatly enhance the corporate value of the Group.

The Group has established a logic tree to improve corporate value and achieve a PBR of 1. This logic tree aims to "visualize" how the various tactics and measures set out in the medium-term plan will lead us to the targeted corporate value through improvements in ROE and PER.

#### Logic Tree



The first indicator is "ROE improvement." To achieve this, we are working on specific measures aimed at strengthening profitability and improving capital efficiency. To strengthen profitability, the Group is steadily increasing its outstanding assets under custody by focusing on existing securities business at Tokai Tokyo Securities and affiliated joint-venture securities companies. They are promoting sales by suggesting portfolio investment that suits the financial goals under respective customers' life plans. We feel that our customers value this sales approach. In addition, as part of our efforts to improve capital efficiency, we keep attempting to downsize or withdraw from unprofitable businesses and allocate capital to more effective businesses while we continue to analyze ROE at the core business unit level. As part of the effort, we make toward this end, we will continue to reduce our strategic equity holdings (balance at the end of March 2024: ¥10.8 billion, 5.6% of net assets), and reallocate immobilized capital to more effective uses.

The second indicator is the "PER improvement." To achieve this improvement requires reducing the cost of shareholders' equity and raising the expected growth rate. To lower equity costs, we are working to reduce business volatility and increase stable earning sources through efforts such as shifting from a commission-based business model to a fee-based one and expanding collateralized lending which is highly convenient to customers. We also announced a revision to our dividend policy at the end of October last year and are taking steps to improve our business so that our shareholders, investors, and other stakeholders can invest in our Company's stock with confidence, such as by setting an annual dividend of at least ¥24. Additionally, to raise our expected growth rate, we are working on the following.

- Implementing a business alliance covering wide-ranging collaborations with our Powerful Partners
- Expanding our asset management functions, and acquiring banking functions as a part of our New Bonanza initiative
- Adding a unique business built around a unique digital strategy\* to the portfolio of collaboration under the business alliance

\* We won recognition for this strategy we are proactively undertaking as we were selected as a Noteworthy DX Company 2024 by the Ministry of Economy, Trade and Industry, etc.

Through these efforts, we aim to strengthen ourselves to the point we can perfect the business model outlined in "Beyond Our Limits."

ROE was 1.1% for the fiscal year ended March 2023 but rose to 5.8% for the fiscal year ended March 2024. We will accelerate the implementation of these initiatives over the next three years of the medium-term plan to achieve our KGI of 12% ROE.

### Capital Strategies for Ensuring Sustainable Growth

As of the end of March 2024, the Group's consolidated capital stood at ¥179.8 billion. Of this, ¥130.4 billion was allocated to core securities businesses, including Tokai Tokyo Securities and affiliated joint-venture securities companies. Additionally,

investments were made in strategic areas to develop and expand platform functions that incorporate a range of advanced digital tools, separate from our face-to-face securities services.

Tokai Tokyo Securities attained a capital adequacy ratio of 369.3% (as of FYE March 2024), and our affiliated joint-venture securities companies maintained very high levels as well. From the perspective of ensuring sound financial health in our core securities operations, we believe that it is important for the Group's capital strategies to plan appropriate capital allocation and achieve higher capital efficiency while we continue running a stable business and expanding our operating base. For example, Tokai Tokyo Securities regularly conducts ROE analysis for each customer segment within the Retail Company and for each business unit in the Corporate, Market, and Investment Banking Company, to verify capital efficiency and make revisions if necessary, so that we can use capital properly to improve profitability. The same also applies to subsidiaries and affiliates other than Tokai Tokyo Securities.

The Group will allocate capital surplus to shareholders as dividends, and to strategic growth investments that contribute to enhancing corporate value. Our policy is to use earnings (period profit) to distribute dividends to shareholders. In line with our dividend policy applicable up to the fiscal year ending March 2027 ((1) a consolidated dividend payout ratio of at least 50%, or (2) annual dividends of ¥24 or more—whichever is higher), we aim to pay dividends that will meet the expectations of the shareholders as our business performance grows.

Acquiring treasury stock to return profits to shareholders remains an option as well. However, we believe that while this could improve the PBR in the short term, it would also reduce capital reserves over the medium to long term, potentially hindering future growth investments. Therefore, we set the Group's capital management policy to prioritize the allocation of capital to the areas necessary to achieve the "Beyond Our Limits" and "New World" goals of our medium-term plan.

As key measures for entering a new world of business, we actively pursue business partnerships and capital tie-ups with Powerful Partners and advance "New Bonanza," i.e., strengthening asset management functions and acquiring banking functions as new revenue sources. Additionally, we are expanding our capabilities in the digital domain and offering them to alliance partners as a platform (including customized development). Through these initiatives, we plan to achieve sustainable growth and realize our medium-term KGIs and KPIs by maximizing the use of our capital reserves. We will perform periodic reviews of the status of capital use and make revisions to achieve more appropriate capital allocation. We believe the said process will be effective to expand our capital reserves in the short term as well.

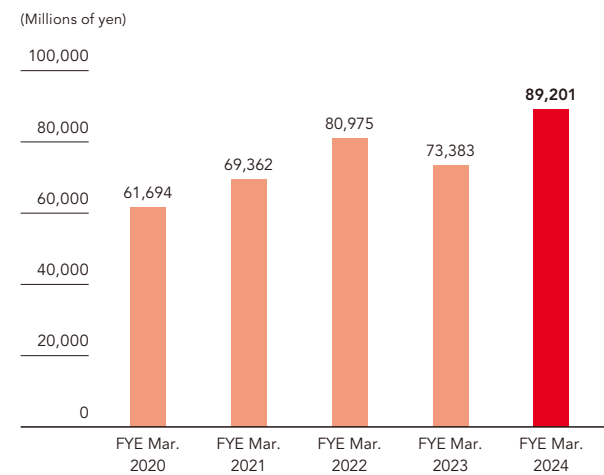
The Company will strive to increase opportunities for dialogue with shareholders and investors both in Japan and overseas. Through such dialogues, we aim to make ourselves understood about the Group's initiatives while listening to a wide range of opinions from the shareholders and investors. We will work to ensure that this feedback is reflected in management practices conscious of capital costs and share price and to develop more sophisticated management capabilities.



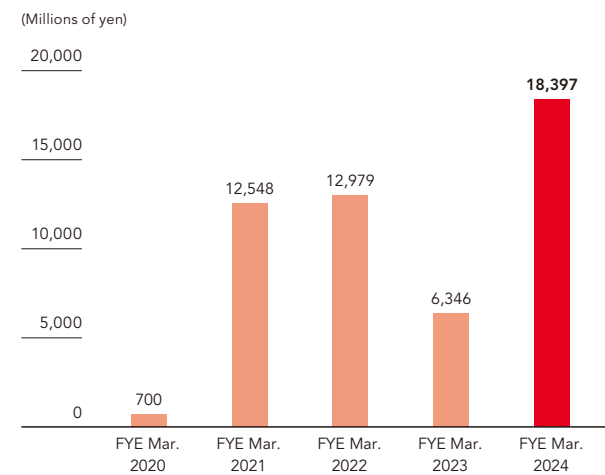
# Financial and Non-Financial Highlights

## Financial Highlights

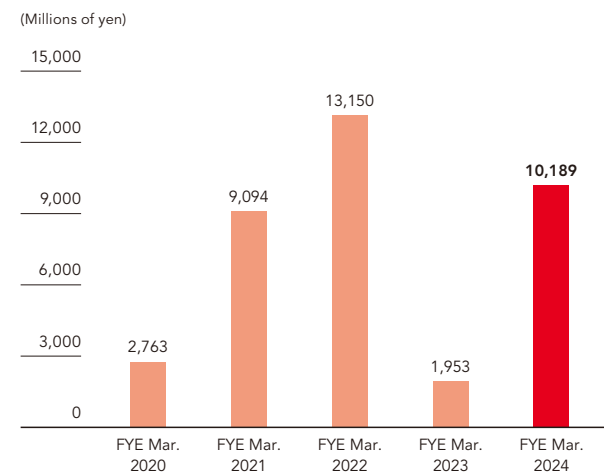
### Operating revenue (consolidated)



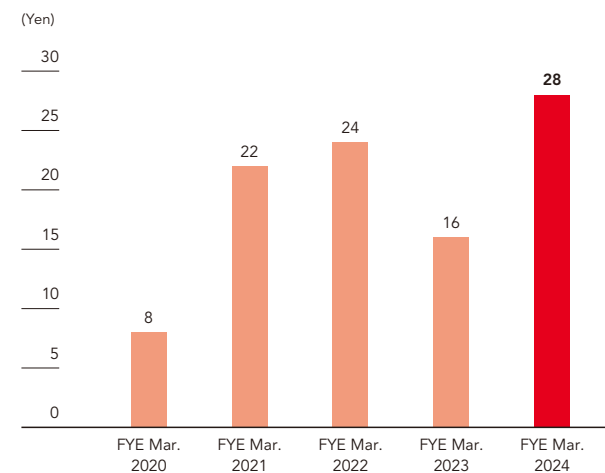
### Ordinary profit (consolidated)



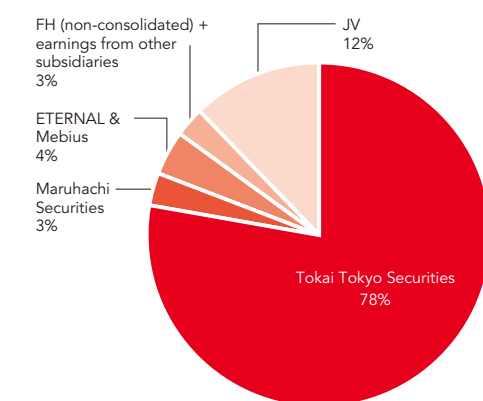
### Profit attributable to owners of parent



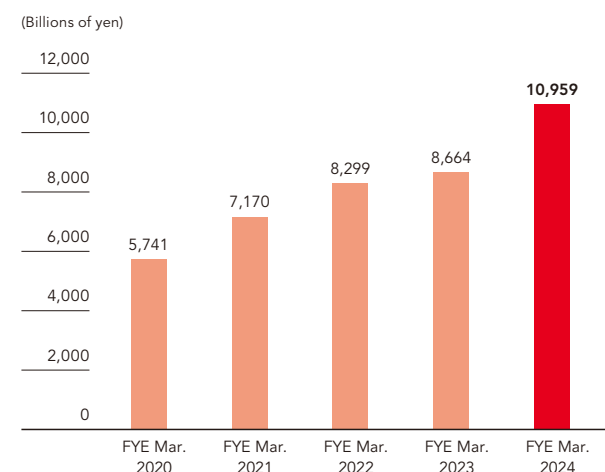
### Dividends



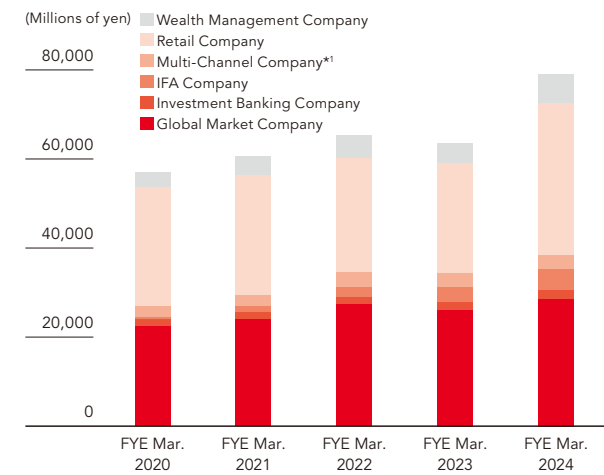
### Composition of operating revenue generators (FYE Mar. 2024)



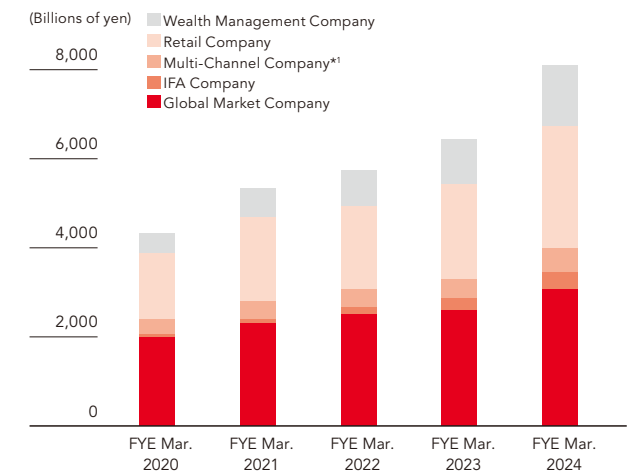
### Balance of assets under custody of the Group



### Operating revenue by Company within Tokai Tokyo Securities



### Assets under custody by Company within Tokai Tokyo Securities



### Profit and loss status of Group companies

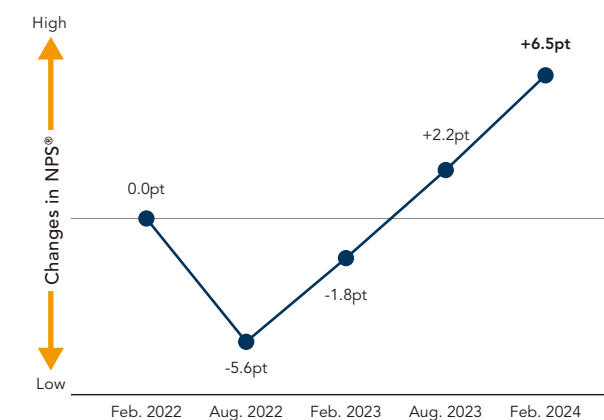
(Millions of yen)

	FYE Mar. 2020	FYE Mar. 2021	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024
<b>Tokai Tokyo Securities</b>	713	6,186	8,924	3,001	17,067
<b>Affiliated joint venture securities companies (JVs)</b>	131	1,628	1,575	131	1,226
<b>Tokai Tokyo Global Investments</b>	226	3,424	300	2,554	1,592
<b>ACE Securities</b>	—	—	962	-3	—
<b>Maruhachi Securities</b>	—	—	452	129	768
<b>Takagi Securities</b>	-894	—	—	—	—
<b>Insurance (ETERNAL, Mebius)</b>	274	498	622	815	825
<b>M&amp;A*2</b>	-94	321	-22	-38	91
<b>Digital (subsidiaries + equity-method profit/loss)*3</b>	-637	-955	-1,243	-2,850	-3,169
<b>Other</b>	981	1,446	1,409	2,609	-5

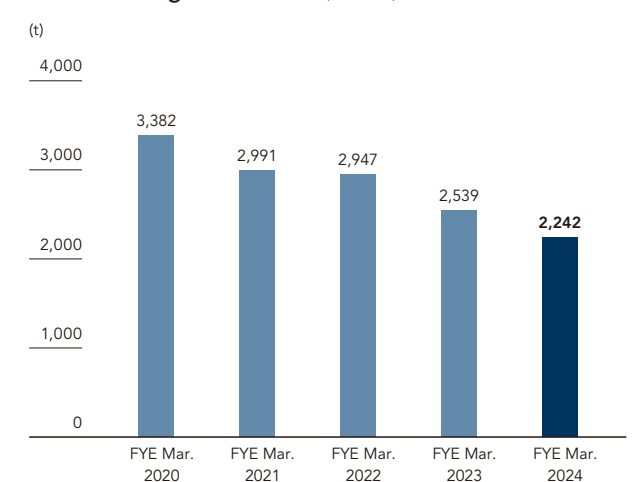
## Non-Financial Highlights

### Customer loyalty (Tokai Tokyo Securities NPS®)

(Changes in pt, setting its value in February 2022 as the base value of zero)



### Greenhouse gas emissions (t-CO<sub>2</sub>)\*4 \*5



\*1 The Multi-Channel Company was abolished effective April 1, 2024.

\*2 Includes Pinnacle up to the FYE March 2024. The figures for the first quarter of the FYE March 2025 include those of TT Solution (formerly Pinnacle TT Solution) and MAfolova, and the figures of the second quarter of the FYE March 2025 include only the one of MAfolova.

\*3 Indicates the ordinary profit/loss of CHEER Securities and TT Digital Platform, and earnings of Money Design, Hash DasH Holdings, and Digital Platformer (including former Money Compass) all as recognized in equity method.

\*4 GHG emissions (CO<sub>2</sub> emissions) are summed up from the following companies: Tokai Tokyo Financial Holdings, Tokai Tokyo Securities, CHEER Securities, Tokai Tokyo Intelligence Laboratory, Tokai Tokyo Investment, Tokai Tokyo Services (The area occupied by Tokai Tokyo Securities), Tokai Tokyo Business Service, and TT Digital Platform. Former ACE Securities was added for the FYE March 2022.

\*5 Total of Scope 1 and 2



Human Resources Strategy

We seek to maximize corporate value through our integrated management and human resources strategies

Aya Kurashita  
Executive Officer



Two Initiatives to Expand Our Human Resources Base

The most distinctive feature of our human capital management is that our management and human resources strategies are inextricably linked. We have been formulating and implementing our human resources strategy in conjunction with our management strategy based on the job-based personnel system that we introduced in 2019. Currently, we are promoting two initiatives to expand our human capital base to accelerate the implementation of strategies and measures set out in our medium-term management plan, which began in April 2022.

The first is to secure and develop human resources with expertise. In hiring new graduates, each department conducts recruiting personnel for their tasks, which require advanced knowledge areas such as wealth management, global market, investment banking, digital, research and IT. Furthermore, we are assisting employees with their acquisition of specialized skills by offering a unique program that combines on-the-job training with on-site practical training at some specialized departments over the first two years of employment we deem as a training period for new recruits.

The second initiative is to support our employees with their career formation. We provide training programs to help everyone in the Group think about career paths regardless of the position he or she may belong to, ranging from junior to mid-level staff, section heads, group leaders, and officers. We also promote retooling of employees' specialist skills and talents through various reskilling programs. In 2020, we started implementing our Humanity Enhancement Program as well, which provides support for employees' self-improvement. By supporting employees' voluntary non-work-related challenges that enrich their personal qualities, we are fostering a diverse corporate culture in which employees can express their individuality. In addition to bottom-up training for all employees, we carry out leadership development training as a program designed to create top-level leaders.

Together with the job-based personnel system, the in-house recruitment system works as the other main pillar of career path support. The in-house recruiting system has been in operation for around 18 years, and it allows successful applicants to transfer to the job or department of their choice after being selected for suitability and ability based on application screening and interviews. The system has already helped over 300 employees to find new opportunities. In addition, we have seen more than 50 graduates of its domestic and international MBA programs,

which were launched in the same year as the in-house recruitment system.

For the Group to overcome this period of transition in an era of continuing structural change in the economy and society, and build a business model suited to the next generation, we cannot do without employees who possess specialized knowledge and skills. We seek to secure and cultivate human resources well-versed in specific fields, and aim to expand and form a human resource base that embodies the title of our medium-term management plan, "Beyond Our Limits."

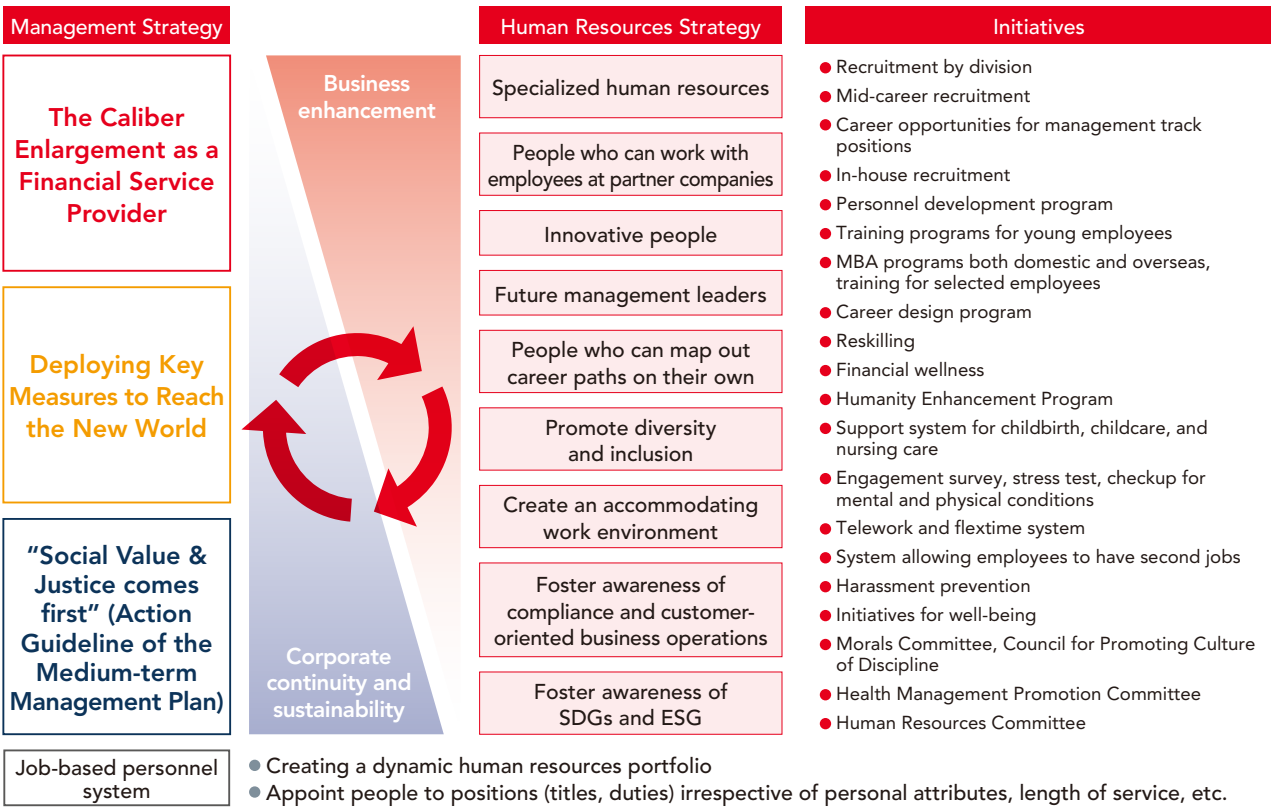
Becoming an "Ever-Learning" Company

As stated in the Company's action guidelines and catchphrase, we aim to be an "ever-learning" company. Supporting the growth and career development of specialized human resources is our way of helping employees continue their education, and we will continue to do this moving forward, fostering personnel who will contribute to the future of the securities and financial business. At the same time, we aim to pass on our corporate culture, which values taking on new challenges, to the next generation. As for the leadership training program mentioned earlier, we have switched this year from a selection-based system to a voluntary application system. We believe that this will further accelerate our efforts to support employees' self-directed career development and foster a corporate culture that encourages people to take on new challenges.

It has been five years since we introduced a job-based personnel system. While we have achieved certain results, such as a stronger commitment recognized among employees to their jobs that makes the most of their individuality and aptitudes, we have also identified issues we still have to address toward further enhancement of our human capital. For example, as a corporate entity, the positions are limited, and not all of the about 3,000 employees can be assigned to the positions they prefer. We believe we must induce more employees to take on challenges applying for higher positions and developing skills through job rotation, and we must find the way how we can use such approaches to revitalize the organization. Toward this end, we will review and adjust the personnel system as needed and we will work to strengthen the bonds between the Company and its employees.

I believe that the human resources strategy is fundamental to the success of our growth strategy. I will continue to lead the Group's sustainable growth and expansion of corporate value through the further evolution of our human capital management practices.

Systems of Human Resources Strategy



Purposes of Each Strategy

Human resources strategy	Purposes
Specialized human resources	Hire and develop employees with specialized knowledge (including DX) and know-how in each targeted field to become financial platformers
People who can work with employees at partner companies People who can collaborate with partners	Hire and develop employees who are highly cooperative and capable of thinking and acting with consideration from the vantage points of others and smoothly conducting operations at our partner companies
Innovative people	Hire and develop employees who can aggressively take on the challenge of launching new businesses and reforming existing ones
Future management leaders	Develop employees with experience in key positions, a high level of vision, and knowledge of corporate management to make sustainable operations real
People who can map out career paths on their own	Develop employees who always pursue willingly their career development in a changing environment
Promote diversity and inclusion	Create an environment that encourages a diverse workforce to be active in attracting talented human resources and delivering innovation
Create an accommodating work environment	Create an environment that promotes flexible workstyles and psychological security to enable employees to achieve high performance
Foster awareness of compliance and customer-oriented business operations	Foster awareness of the need to protect the values of our various stakeholders and become the financial institution of customers' choice
Foster awareness of SDGs and ESG	Foster awareness to think and act on the value and significance of the Company's social existence to promote the resolution of social and environmental issues through our business activities.

Setting Personnel-related KPIs

We set employee engagement and investment in training as two personnel-related KPIs. The employee engagement KPI is to detect the gap between the Company's actions and employee engagement indicated as a numerical value. The purpose is to create a work environment that employees consider rewarding. The investment in training KPI is a numerical target for developing

highly specialized human resources (in such areas as DX) and implementing training investments that encourage employees to design their career paths by themselves. We will maximize the effectiveness of our human capital management by effectively managing these KPIs.



Initiatives to Enhance Employee Engagement

We have been conducting an Employee Engagement Survey since fiscal 2022. The Employee Engagement Score is an indicator that represents the extent to which employees feel sympathy with the Company's management philosophy and direction, and how motivated they are to willingly contribute to improving the Company's business performance. Our Group uses the engagement score to identify gaps between the Company strategies and the employees' perceptions of them and to create initiatives and a culture that raises motivation to contribute. In our medium-term management plan, we aim to raise the employee engagement score to 63% by the fiscal year ending in March 2027.

In fiscal 2022, the employee engagement score was 40%, and in fiscal 2023, it rose slightly to 41%. Considering the results of the fiscal 2023 survey, we are formulating new measures and improving existing ones to maintain our strengths and resolve issues.

In concrete terms, we believe we have to make sure first whether we satisfy three requirements to get employees

engaged. Namely, 1. They feel motivated to work for the Company, 2. They feel like telling someone they know about the Company, 3. They feel a sense of accomplishment by being a member of the Company. Then, depending on the verification result, we implement measures that directly address these requirements as needed. We consider that the said approach will improve employee engagement. As specific measures, we are improving existing systems such as In-house recruitment, Position Challenges, the Humanity Enhancement Program, and Sending employees to domestic and overseas MBA schools. Additionally, we are working to further improve working conditions by combating harassment, providing regular training for managers, fostering a corporate culture that encourages employees to take on new challenges, and conducting a "caravan" of activities to promote human resource systems at each division and branch office. These new measures are designed to motivate employees and help them feel a sense of accomplishment in their work.

Investment in Training

We regard our human resources as the most important business asset. Under this thought, we have established the following three human resource development policies. Accordingly, we offer a comprehensive range of training and support to help employees enhance their various skills and pursue self-directed learning.

- 1. Developing employees as providers of financial services so that they can help customers build their assets and enhance their capital and they ultimately become able to contribute to the growth of the Japanese economy.
- 2. Developing employees who always explore their career paths and who can continue to learn voluntarily.

- 3. Developing employees who view changes as opportunities without being afraid of changes, and take on new challenges. As a personnel-related KPI, we have set 3.0% of the ordinary profit of the previous year as the target for education investment for the fiscal year ending March 2027. Investment in education for the fiscal year ended March 2024 was ¥534 million, or 8.4% of the previous year's ordinary profit (annual investment in education per person was ¥165,659). Investment in education has remained at above the ¥500 million level since the fiscal year ended March 2021.

MBA Scholarships / Qualification Acquisitions

We send employees who wish to learn the latest knowledge about finance and business to leading business schools in Japan and overseas.

More specifically, we have sent 38 people to graduate schools in Japan, including Waseda University and Hitotsubashi University, and 72 people abroad, both for overseas MBA programs and as overseas trainees. We send employees overseas for MBA programs through a selection, and 13 people have obtained MBAs from leading graduate schools in the US and Europe. Once we have selected candidates for overseas MBA programs, we support them by reimbursing language school tuition, the MBA course fees, and others. In addition, we dispatch several employees to overseas subsidiary companies every year as trainees, mainly through in-house recruitment. Those employees receive on-site training at leading local businesses and research companies.

In addition, as an "ever-learning company," we have enriched training content to meet the self-improvement needs of

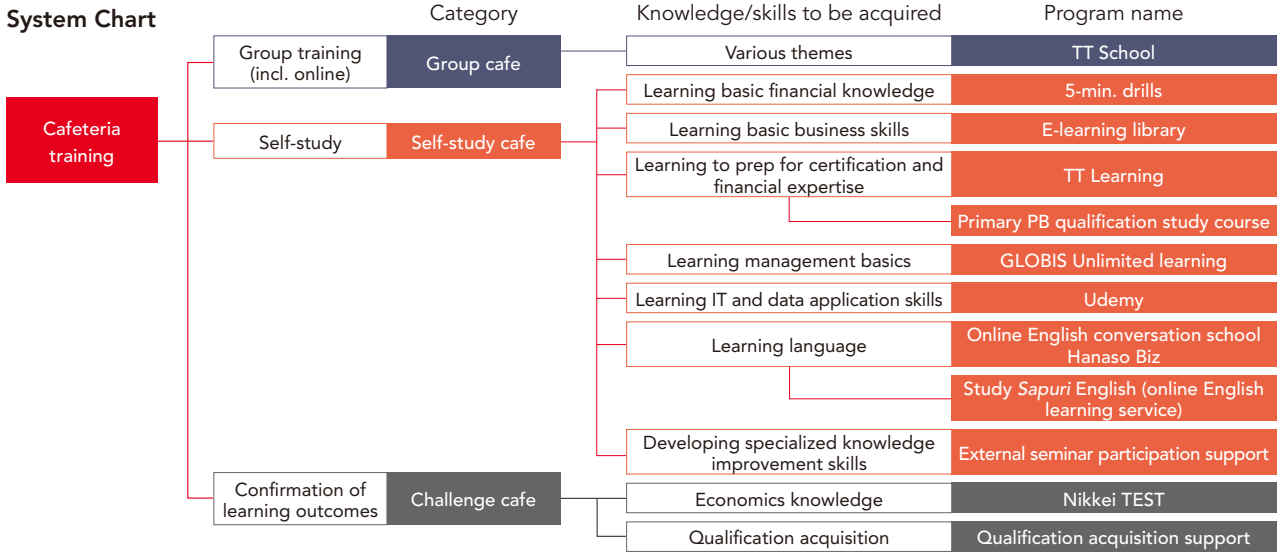
employees and arranged various support systems so that employees can proactively take on the challenge of acquiring qualifications on their own.

We also offer cafeteria training programs that allow employees to choose and participate in training courses that meet their personal education needs.

There are also a variety of programs that go beyond the learning of basic business skills to reinforce specializations, some of which are paid out-of-pocket. However, if applicants meet the requirements, a portion of the course fees will be reimbursed.

Acquired Qualifications (for the fiscal year ended March 2024)

CMA (Certified Member Analyst of the Securities Analysts Association of Japan)	121 people
AFP, CFP (Financial Planner)	2,439 people
Chief of Money Lending Operations	314 people



Humanity Enhancement

The Humanity Enhancement Program has been in place since fiscal 2020 as a system to support employees' voluntary efforts to enhance their human qualities and to serve as role models within the Company. The program is divided into the categories of Support for External Challenges, Promoting Communication, and Job Development within the Company, according to the unique features of each system. We support employees who wish to study abroad at other companies to gain a diverse range of experiences, values, and insights, or who wish to challenge themselves with activities outside of the Company that are not directly related to their work. To date, approximately 350 employees have taken advantage of this program.

- **Personal Support**  
The program provides funds and allows off-duty time during work hours to employees who are voluntarily engaged in activities related to culture, sports, and academics. Our idea is to help them acquire human qualities and education. A total of 119 employees have used this program to date.
- **In-Company Internships**  
A program designed to foster employees' career awareness, improve their skills, and revitalize the entire Company's application of and interaction with human resources by having them to apply for departments of their choice and temporarily gain experience in new fields while remaining at their current positions and assuming work duties there. So far, 39 employees in aggregate have participated in this program for the dispatch period of two months at most each.
- **Outside Second-Job Experience**  
The program aims to help employees acquire hands-on working experience at firms outside the Company, feel and learn diverse values and knowledge in an away-from-home setting at startups or other companies. The duration of the study abroad program is three months, and a total of 18 employees have taken advantage of the program. Employees who participated in the program said that they broadened their perspectives and identified skills and knowledge they lacked.
- **In-Company Second Jobs**  
A system designed to induce the members of certain departments or sections to improve their skills and reform their ways of thinking by inviting employees with specific skills and experience to their departments or sections for a short period. A total of 22 employees have joined this program to date.



- **Team Meeting System**  
Under this system, a team is formed around a core section manager or group leader to draft a proposal for new products, new business ventures, operational improvements, and other matters to the management. This approach is designed to discover role models and foster career awareness through close contact with core personnel as well as to enhance communication within the Company. In total, 58 employees have participated in the program.
- **Career Advancement System**  
A system that encourages employees to take training courses to acquire new knowledge and skills that will be useful for their future career path pursuit while remaining in their currently assigned duties. Upon completion of the training program and passing the qualification testing, participants may have opportunities to advance their careers. A total of 41 employees have participated in the program, and 9 employees have achieved an assignment change, for instance, from sales work to internal administration.
- **Mentor/Mentee System**  
A mentorship program provides individual consulting support to junior employees (mentees) by setting up interviews with senior employees (mentors) possessing a wealth of knowledge and work experience. Mentors support mentees' individual growth by helping them resolve issues related to career development and play a role in resolving concerns and problems within the workplace. Mentees with concerns or questions enter the details of their inquiries into the "Kaonavi" talent management system, and the Human Resources Planning Department acts as an intermediary to recruit and match them with mentors.  
If no mentor is available, the Human Resources Division selects a candidate and requests to assume the role of a mentor. To date, a total of 82 employees have taken advantage of this program.



Recruitment

We deem people the driving force behind our Group, and we put a great deal of effort into recruiting human resources.

When hiring new graduates, we at the Company prefer to work with individuals who share our philosophy and can act on their own initiative. To secure a diverse range of talent, we hire not only university graduates, but high school and 5-year technical college\* graduates as well. We hired 11 high school graduates to join our Group in fiscal 2024, and we expect to hire 16 in fiscal 2025. We have continued to hire 5-year technical college graduates since fiscal 2023, and two have been offered positions for 2025. We are also actively conducting recruitment by division to hire highly specialized talent in the financial and digital fields. Of the 146 new employees who joined our Group in April 2024, 24 were hired specifically to join 5 different divisions. In addition, we will expand the number of divisions allowed to conduct hiring by themselves to eight in 2025 to further bolster the recruitment of highly specialized talent. As of October 1, 2024, 40 individuals, 16 more than in the previous year, have been offered employment.

\* Educational institution that unifies courses of high school and a part of engineering college  
(As of October 1, 2024)

Training and Career Development

The Company offers a variety of training programs for training and career development purposes.

In fiscal 2023, training hours totaled 172,994 hours, or 53 hours per employee (calculated based on 3,224 employees at the beginning of the period), with 104,365 hours of primary

- **Career Design Program**  
To ensure that every employee can develop his or her career at will in a changing environment, we provide all employees with career design programs (training) based on their age and job grade, in addition to our job-based personnel system.
- **Two-Year Training for New Employees**  
We have positioned the first two years after a new graduate joins the Company as a training period, and have implemented a training program that combines off-the-job training and on-the-job training at the employee's assigned office for them to foster a high level of expertise and gain a realistic insight into career.  
Trainee courses at the Head Office include practical training in making and receiving incoming calls at the Customer Support Center, training at the Global Markets Company to acquire the knowledge necessary for working at a securities company while being exposed to market dynamism, and training at the Wealth Management Company to acquire the knowledge necessary for sales to high-net-worth individuals.  
In addition, we also administer training to help employees learn about the Company and develop their careers by showing videos that introduce the operations and personnel requirements of our highly specialized divisions.
- **Retail Sales Staff Training (Junior Employees)**  
We are expanding our junior employee development program to provide more practical content intending to train personnel to execute the Mass Affluent Strategy to target semi-high-net-worth individuals. More specifically, we now implement a unified training program under intensive training sessions at each location for employees to build up their hands-on experiences. We are also assisting the

Starting salaries have been increased as indicated below.

	Fiscal 2023	Fiscal 2024
Junior college, vocational school, tech college (regular)	¥222,000	¥233,000
4-year college, tech college (advanced)	¥254,000	¥265,000
Graduate school grads	¥256,000	¥267,000

We are also stepping up our efforts in mid-career recruitment since we believe that talent with expertise in various fields is necessary more than ever to fulfill the Company's Management Plan. In April 2024, we introduced Referral Recruitment which recruits new hires through referrals from employees. This method proved effective in recruiting new hires who share our Company's values and appeal. We also reviewed our Career Bridge System (re-employment system). This system is not limited to individuals who left our Group for reasons such as childcare or nursing care, but also extends to those who moved to other companies to advance their careers. We hope such individuals will be able to once again demonstrate the experience and skills they gained outside the Company here with us.

training for employees in their first and second year of employment in fiscal 2023.

This includes 564 hours of training per first-year employee and 35 hours of training per second-year employee (approximately 600 hours over two years).

- section heads selected to steer such intensive training sessions so that they can enhance their leadership skills by confirming the workability of their specialized knowledge and acquiring new specialized knowledge as well as sorting out and verifying the existing knowledge that they need when providing guidance.
- **Digital Skills**  
To improve skills related to digital technology, we offer systematic training in technical expertise, business skills, design thinking, and other areas. The Digital Division members also participate in the University of Tokyo's Endowed Chair for Global Consumer Intelligence (a course the Company donated to polish the skills to solve business issues through data science).  
In addition to training aimed at reinforcing expertise, we are also trying to raise basic IT proficiency levels to improve the digital skills of all Company employees. More specifically, employee skill checks are conducted for Excel, Word, and PowerPoint. If any questions therein are answered as "cannot do, don't know, or am not sure," the participants are directed to watch videos and re-assess their skills. In the second skill check, more than 50% of the employees have improved their level of understanding compared to the result of the first check. Providing a program that caters to individual levels in this way has led to an improved base level overall.
  - **Leadership Development Training**  
Since fiscal 2011, we have been conducting leadership development training to nurture the next generation of leaders who will be responsible for the future of the Group. Beginning in fiscal 2024, we administer the program by accepting applications openly to encourage participation by employees who are willing to take on new challenges. To expand participants' perspectives, forge their

- insights, and raise their awareness as leaders, we conduct training for three different levels: managerial candidates, executive candidates, and officer candidates.
- **Skills Survey**  
To encourage further skill development, employees are asked to report on their work experience, skills, qualifications/licenses, and so on, to ascertain their skills and qualifications. The Company uses these survey results to ensure the appropriate placement.
  - **Position Challenges**  
In addition to the existing in-house recruitment, we expanded the


Evaluations and Rewards

The Group has adopted a job-based personnel system that assesses employees based on their abilities, as opposed to a traditional seniority-based system. Among other things, the Evaluation and Rewards System is designed to develop highly specialized human resources and help employees successfully fulfill management plans. It is also designed so that employees can be treated suitably according to their level of

Diversity, Equity and Inclusion Initiatives

- The Group actively promotes Diversity, Equity and Inclusion initiatives to grow up to be an organization in which diverse people can work together feeling at ease.
- At present, we are striving to provide equal opportunities regardless of gender, age, race, ethnicity, and other traits. We set specific numerical targets on the above-stated initiatives to be achieved by the final year of the medium-term management plan including a 17.5% ratio of women in management positions, 40.0% of men taking childcare leave, and a 73.3% wage differential between men and women for regular

Respect for Human Rights Initiatives

- **Formulation of Human Rights Policy**  
The Group has been actively engaged in the task of respecting human rights through our business activities. In light of international trends regarding the subject, "Respect for Human Rights," we formulated our Human Rights Policy in March 2024 as per the United Nations Guiding Principles on Business and Human Rights as a way to further strengthen our Group-wide commitment to respect for human rights. We promote human rights due diligence and remediation efforts under the Policy.  
  
Tokai Tokyo Financial Group Human Rights Policy:  
<https://www.tokaitokyo-fh.jp/en/sustainability/materiality-4/diversity/human-rights-policy/>  

- **Initiatives for Officers and Employees**  
The Group conducts regular training and workshops on the key human rights risks that we have actually identified. In 2023, we conducted position-based training on labor management and harassment for all Group officers and employees. In 2024, we are working to raise awareness through self-checks for unconscious biases and appealing for ideas for catchphrases.  
Furthermore, we carry out monitoring via regularly scheduled surveys.  
As for remedial measures, we make the availability of reporting and consultation services known to all employees through e-learning and other means. With regard to the identified high-priority risks, project teams are set up to implement the PDCA cycle on an individual basis.

- system and adopted the program, "Position Challenges" in April 2024. The program was designed to offer more opportunities for career selections and it openly recruits applicants for all the department head positions at Tokai Tokyo Financial Holdings. Our purpose is to encourage employees to choose and build careers on their own.
- Looking ahead, we now consider suggesting career path models that will serve employees for their career planning purposes, as well as expanding the scope of the program, "Position Challenges" to address all positions, including section head, creating a mechanism to stimulate sound competition.

expertise and desirability as a corporate person, regardless of age. Actually, we now have section heads in their early 30s and department heads in their mid-30s. Furthermore, when conducting evaluations, interviews are held between supervisors and subordinates at the beginning, middle, and end of the fiscal year to ensure that both the evaluator and subject are satisfied with the results of the evaluation after ample communication.

- employees (results for the fiscal year ended March 31, 2024).
- In the previous fiscal year, an independent third-party expert institution conducted an evaluation to identify issues and specific measures we must address. From the evaluation report, we found that our current practices concerning the support for a good balance between work and childcare are generally satisfactory.
- As for our targets to be attained by the end of March 2027 (end of fiscal 2026), we aim to achieve a 21% ratio of women in management positions, 100% of men taking childcare leave, and a 77% wage differential between men and women.

- **Initiatives for Customers-Related Human Rights**  
As part of our commitment to respecting the human rights of our customers, we have established and publicized a Privacy Policy to protect and respect the privacy of our customers. In addition, we have established our Principles for Customer-First Business Conduct and carry out business operations respecting the customer's vantage point. Regarding our business locations, we have been practicing the customer-first principle by introducing barrier-free accessibility at large-scale offices that house our head office functions and Orque d'or Salons.  
As a remedial measure, we have established a consultation service (dedicated number) that receives a wide range of feedback from our customers.  
  
Privacy Policy:  
<https://www.tokaitokyo.co.jp/policy/privacy.html>  
(Japanese only)  
  
Principles for Customer-First Business Conduct:  
[https://www.tokaitokyo.co.jp/policy/fiduciary\\_duty.html](https://www.tokaitokyo.co.jp/policy/fiduciary_duty.html)  
(Japanese only)  
  

- **Initiatives for Partner Companies and Clients**  
We share the concept of the Group's commitment to respecting human rights with partner companies and business partners. We are striving to prevent and mitigate any negative impacts on human rights.





Employee Interviews

Mana Tachibana  
Social Value &  
Justice Department

Shota Asano  
Deputy General Manager  
New Growth Strategy  
Department

# A Culture Where Challenges Are Encouraged A Career That Opens up by Taking on Challenges

From the in-house recruitment system to Humanity Enhancement Program, full-fledged personnel development systems that support the growth of employees

Please tell us about your department, the nature of your work, and what you feel is rewarding about your work.

**Asano** I belong to the New Growth Strategy Department. It was originally the Medium-Term Management Plan Formulation Project Department, which led the formulation of the current medium-term management plan, but its name was changed in 2022 to coincide with the start of the plan. I am involved in the promotion of the medium-term management plan to achieve our current management slogan, “Beyond Our Limits.” Especially now, we are negotiating with each department for collaboration models and partnerships in order to acquire “Powerful Partners.” It is more difficult than I imagined to promote a management strategy with a big vision of “Beyond Our Limits,” but working with the management team on a big project with the passion of taking on challenges “Beyond Our Limits” is a great opportunity for growth in my career.

**Tachibana** I belong to the Social Value & Justice Department. This is probably close to what other companies call the Sustainability Promotion Department, but it is also responsible for instilling the idea of “Social Value & Justice comes first,” which was raised as an action guideline of our current medium-term management plan, that says “without the pursuit of social value and the fulfillment of social justice, there is no value in the existence of a company.”

In today’s rapidly changing society, corporate sustainability is very important, and I believe that if the concept of “Social Value

& Justice comes first” spreads throughout the Group, corporate value will also increase. The specific work of this department covers a wide range of tasks, including planning the promotion of sustainability management for the whole Group, coordinating with related divisions, disclosing information, and responding to external evaluation organizations. Individual sustainability issues are categorized into ESG (Environment, Social and Governance), and various divisions are in charge of the Company. However, there are also issues that the department is mainly responsible for, such as climate change measures and the formulation of the Human Rights Policy. Among those, I am mainly in charge of ESG-related issues specific to E (Environment), including efforts to reduce CO<sub>2</sub> emissions. In order to produce results, I believe it is important to steadily advance initiatives in cooperation with various divisions, and I feel that advancing step by step in that way is rewarding.

Please tell us about any personnel systems that you have used so far.

**Asano** The personnel systems I have used are the “Position Challenges” and “Outside Second-Job Experience programs.” For my current position, I took on and passed the Position Challenge, which was newly introduced in April of this year. This system allows employees to take on the challenge of higher positions even if they are not an extension of the conventional career system. I have been in the sales division since I joined the Company. Since I was appointed as a section manager when I was young, the career path after that is generally to aim for career development in securities sales, such as sales manager, branch manager, or sales executive. I feel this system is groundbreaking in that I can transfer to

positions that are otherwise unthinkable as an extension of my career in sales, such as being in charge of corporate planning and strategy promotion at Tokai Tokyo Financial Holdings. I also took advantage of the Humanity Enhancement Program (HEP), which was introduced in 2020, and took on the challenge of the Outside Second-Job Experience program. I have experienced “side-jobs” three times to date. My side-jobs were mainly at start-up companies, and I was impacted by the words of an entrepreneur who said, “I don’t consider myself successful unless I raise my hand and achieve what I want to do,” which has drastically changed my approach to work.

**Tachibana** I applied for overseas training using the in-house recruitment system and went to Tokai Tokyo Securities Europe for a year. We have a base in central London, where I mainly arranged for issuance of bonds and handled paperwork such as contracts used when entering agreements. In addition, since there are locally hired traders, I also confirmed and reported the trade details such as futures and options trading. When the job offer was posted internally, I was in my fourth year at the Company and was working in retail sales, and there were no seniors around me who had gone to overseas training. So, I didn’t know exactly what kind of things I would be able to do if I went to the training, or what kind of work I would do after returning to Japan, but I raised my hand to apply because I wanted to take on the challenge if given the chance. In the field, not only the content of work, but also the mindset, working style, and way of doing things are all different, so I was able to gain a lot of learning and insights. In particular, the training period was set to be one year, so I felt that I gave it everything I could.

Based on a corporate culture that values challenges, we will mobilize the power of our employees to go Beyond Our Limits

Have you gained any new insights from using the system, or have you used them in your subsequent work?

**Asano** What I felt strongly through the Position Challenge and Outside Second-Job Experience programs is that the Company takes its employees’ skill development seriously, thinks about their happiness, and is pursuing the ideal form of the Group. In order to achieve “Beyond Our Limits” set forth in the medium-term management plan, we are encouraged to take on challenges so that we can maximize our potential. I have seen various companies through side-jobs, but none of them takes their employees so seriously. There are times when I have met various obstacles, but the Company has had my back, so I now feel that I want to live up to expectations.

**Tachibana** I agree with you. When I applied for the in-house recruitment, I received generous support from my supervisors and seniors, and I was encouraged by many colleagues. I was reminded again of the deep corporate culture of nurturing people. In addition, many people participated in a briefing session held after completion of the overseas training, so I felt that there was a high level of interest in the overseas training.

I feel that it is very valuable to have the opportunity to take on the challenge of new work and be able to change my career using the in-house recruitment system, and being able to do the work I wanted to do provides motivation for my work.

Please tell us about the nature or corporate culture of the Group companies.

**Asano** I think that a “spirit of challenge” is part of our corporate culture. The Group is not following and competing with major securities companies, but has always taken on new challenges in new fields and new businesses and seized growth. Challenges always come with failures, and we have overcome many frustrations to get where we are now. We have an innovative DNA that created new value that the world had not seen before. Animal spirits are the source of our competitiveness. I feel that our company that takes on challenges for everything is consistent from the perspective of personnel development.

**Tachibana** I feel that the Company has a culture of respect for the opinions and ideas of its employees. I feel that in-house recruitment and HEP support the desire to do things and take on challenges, and there is also an employee suggestion program that allows employees to propose ideas such as business improvement proposals and systems they would like to introduce to the Company. I think that many employees naturally feel positive about taking on challenges because of the various systems that support employees in taking on challenges.

Our determination—aiming to become the next generation of human resources for the Group

Please tell us about your aspirations for the future.

**Asano** The growth and active participation of employees are indispensable for the Group to promote its medium-term management plan. The first step is to take on the challenge. In addition to the Position Challenge and Outside Second-Job Experience programs that I utilized, there are a number of challenge systems available to help you succeed, such as the training at overseas local corporations that Tachibana-san took advantage of, and even study at MBA schools both in Japan and overseas. I will aim for higher heights, raise my hand to apply for even the most difficult challenges, and I will try to seize success once I take on the challenge.

**Tachibana** I applied for the in-house recruitment system and experienced overseas training, and I realized the joy of taking on challenges and learning new things. I am currently working on sustainability, an area in which companies around the world share a common awareness of issues. I feel that these issues are difficult to solve, but I would like to steadily advance our initiatives step by step while firmly understanding the trends of society. I would also like to connect this to my own growth.



# Practicing Sustainability Management

The Group recognizes the importance of sustainability and is committed to helping realize a sustainable society. Accordingly, we are actively addressing environmental and social issues through our business activities as a leader in the financial and capital markets.

## Approach to Sustainability

The Group's management philosophy is to fulfill the role of a financial service provider to help customers with their wealth formation and capital enhancement, and all of our executives and employees are united in carrying out their efforts to meet the needs and expectations of our customers and all other stakeholders.

Under our medium-term management plan, "Beyond Our Limits," launched in 2022, the Group is working harder than ever to realize this philosophy, adopting "Social Value & Justice comes first" as an action guideline of the plan. "Social Value & Justice comes first" expresses our belief that the creation of social value and the fulfillment of social justice signify the utmost importance for the Group to earn the trust of all members of

## Sustainability Initiatives

The Group's sustainability management has evolved into a Group-wide management initiative with the announcement of our SDGs Declaration in September 2020, which outlined the key environmental and social issues as "Materiality", that the Group will prioritize and address.

Regarding our environmental efforts, we publicized the "Net Zero GHG Emissions by 2030 Declaration" in 2022 to mitigate the problem of climate change, which is one of our key social issues. We announced that we will reduce the greenhouse gas emissions the Group's operations emit to effectively zero by 2030. The progress of our efforts is disclosed annually based on the disclosure framework recommended by the TCFD (Task Force on Climate-Related Financial Disclosures).

As for addressing social issues, we are implementing a wide range of initiatives including expanding investment in human resources, promoting DE&I, strengthening human capital management with a focus on improving engagement, supporting startups that tackle social issues, and conducting social contribution activities to help resolve local issues.

In April 2023, we established the SVJ Council as a forum for our top management to regularly discuss sustainability issues to strengthen our sustainability management's governance. The SVJ Council began discussions on various topics and reviewed the Group's "Materiality" in September 2023.

In March 2024, we formulated the Tokai Tokyo Financial Group Human Rights Policy in accordance with the United Nations Guiding Principles on Business and Human Rights to ensure that our endeavors made thus far to respect human rights are further enhanced across the Group as a whole in line with global trends. Through this policy, we are committed to working together with our customers and partners to respect the human rights of all stakeholders, including those of our

society and continue to conduct its business. In particular, the phrase "comes first" implies that whenever we take action, we must first ask ourselves whether it will lead to the creation of social value and whether it is justifiable and will be accepted by society. Based on this management philosophy and the guideline of "Social Value & Justice comes first," we are committed to contributing to the realization of a sustainable society by respecting people, communities, and the global environment through innovative business practices.

customers and business partners. In concrete terms, we will ensure that our newly established human rights due diligence system is fully implemented.

In order to fulfill the expectations of all of our stakeholders and to earn their trust and support for many years to come, we will continue to proactively address various environmental and social issues and improve our corporate value through the creation of social value.

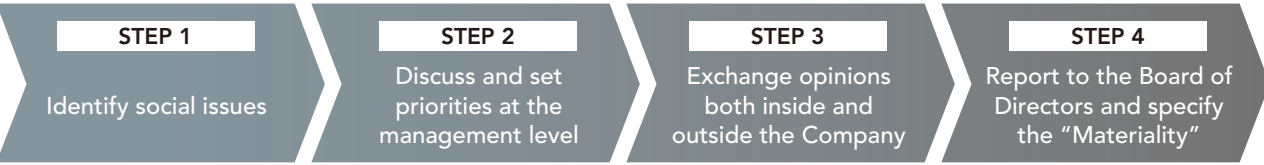
### Sustainability Promotion Structure (Establishment of SVJ Council)



The SVJ Council regularly holds discussions on sustainability among the management members of the Company and Tokai Tokyo Securities. Activities of the SVJ Council are reported to the Board of Directors and the Management Meeting as appropriate.

## "Materiality" Identification Process

"Materiality" was reviewed in September 2023 and specified following the process detailed below.



"Materiality" identification process involved determining social issues based on SDGs and ESG assessment criteria, etc., after considering a wide range of matters, including the latest social trends. The SVJ Council then discussed and prioritized

key issues, and exchanged opinions both internally and externally. Finally, the Council reported the results to the Board of Directors and specified the Group's "Materiality."

## Thought That Shaped Our Materiality Choices

Priority areas	Thought
<b>Achieving good life management</b> 	The phrase "achieving good life management," stated in Our Mission management philosophy, was chosen to convey our desire to help our customers solve the social issues related to "an age in which people can live for 100 years or more" and "improving the financial literacy of the Japanese people" through our core business. We contribute to "supporting household asset formation" and "improving financial literacy by offering the general public opportunities for financial education" through various seminars and events, as well as endowed lectures at universities.
<b>Innovation</b> 	Our Mission, part of our management philosophy, we have stated that "we will correctly read the time and see things from a global perspective to prevail as an innovative group," signifying the Group's aim to create new value through innovation. For instance, we seek to contribute to the development of local economies, and ultimately to the growth of the Japanese economy. We will do so by meeting diversifying needs through the provision of advanced financial services that utilize digital technology, setting customers and local communities as the main beneficiaries. Further, we attain our aim to create new value by solving social issues through support for startups and other companies that are working toward innovation.
<b>Partnerships</b> 	The Group has expanded its business by implementing innovative management strategies like financial platforms, digital strategies, and brand strategies targeted at high-net-worth individuals through collaborations with various partners, and by providing the value created therefrom to our stakeholders. Also, we intend to continue actively contributing to the revitalization of local economies and regional development by creating value through the said collaboration with partners.
<b>Well-being</b> 	Our Group believes in the importance of creating an environment in which our executives and employees can continue to work in good health and vigor in order to provide high value to our customers and other stakeholders. So, we promote "well-being" as part of our human resources strategy. More specifically, under our Well-being Declaration, we focus on health management, improving engagement, and creating a work environment in which diverse human resources can work safely and comfortably in a variety of environments (DE&I).
<b>Green</b> 	As we consider climate change the most vital social issue the world urgently needs to address, the Group has established an environmental policy and aims to achieve net zero greenhouse gas emissions (Scope 1 and 2) by 2030. We are proactively seeking to reduce our own environmental impact, and at the same time working to realize a carbon-neutral society by utilizing the Group's financial functions.

### ● Selection for ESG indexes






The Company stock is included in the FTSE Blossom Japan Sector Relative Index and the FTSE Blossom Japan Index, compiled by global index provider FTSE Russell. Both indices represent companies that make ESG-conscious investments and are used as passive investment benchmarks for ESG investment by Japan's Government Pension Investment Fund

(GPIF), one of the world's largest public pension funds.





Materiality Efforts and KPIs

Priority areas	Prioritized issues	Initiatives in the fiscal year ended March 31, 2024
 Achieving good life management	<ul style="list-style-type: none"><li>Support household assets formation</li><li>Offer inspiring experiences</li><li>Improve financial literacy by offering the general public opportunities for financial education</li></ul>	<ul style="list-style-type: none"><li>Introduce “bellFace” remote control functionality</li><li>Host “Tokai Tokyo LIVE! Plus” streams on a regular basis</li></ul>
 Innovation	<ul style="list-style-type: none"><li>Respond to diversifying customer needs by deploying advanced financial services such as digital and other innovative technologies</li><li>Solve social issues by supporting companies, including startups that take on innovation</li><li>Deliver products and services that facilitate the realization of a sustainable society</li></ul>	<ul style="list-style-type: none"><li>Establish an organization dedicated specifically to supporting startups</li><li>Open a floor to support startups at “Orque d’or Salon AOYAMA”</li><li>Launch Tsumitate, an automatic regular investment service, at CHEER Securities</li><li>Conduct human resource analysis using AI and human resource assessment data</li></ul>
 Partnerships	<ul style="list-style-type: none"><li>Support the regional economy and revitalize regional communities by expanding cooperation with regional financial institutions</li><li>Respond to diverse customer needs by forming wide-ranging partnerships with those from the non-financial industry</li></ul>	<ul style="list-style-type: none"><li>Collaborate with Japan Post Bank, one of our Powerful Partners</li><li>Ongoing community contributions through the Tokai Tokyo Foundation</li></ul>
 Well-being	<ul style="list-style-type: none"><li>Elevate the level of engagement</li><li>Implement health management</li><li>Develop a workplace environment in which diverse human resources can work with peace of mind in diverse environments (DE&amp;I)</li><li>Support employees’ special skill sharpening</li></ul>	<ul style="list-style-type: none"><li>Host “SVJ Challenge” events</li><li>Humanity Enhancement Program</li><li>MBA</li></ul>
 Green	<ul style="list-style-type: none"><li>Support the realization of a green and sustainable society through financial services</li><li>Reduce environmental damage by means of our own decarbonization initiatives and others</li></ul>	<ul style="list-style-type: none"><li>Introduce electric vehicles into the company fleet</li><li>Reduce the number of vehicles that run solely on gasoline to 75% of the previous period (from 318 vehicles to 240)</li><li>Underwrite SDG bonds worth approximately ¥97.5 billion</li></ul>

“Social Value & Justice” KPIs

	FYE March 31, 2024	Target for FYE March, 2027	FYE March 31, 2024	Target for FYE March, 2027
For a better society	<b>CO<sub>2</sub> net emissions</b> ▶ p. 63 <b>1,474 t</b> <b>2,242 t</b> approx. 50% reduction (compared with fiscal 2021)		<b>Social contribution activity expenses</b> Compared with Ordinary profit in the previous period <b>4.6%</b> <b>1.0%</b>	Compared with Ordinary profit in the previous period
Perfection in fulfilling all the mundane basics	<b>Customer-oriented (NPS® of Tokai Tokyo Securities Co., Ltd.)</b> <b>+6.5 pt</b> +20.0 pt (compared with fiscal 2021)			
Be exciting ▶ p. 48	<b>Employee engagement</b> <b>41.0%</b> 63.0%		<b>Investment in education</b> Compared with Ordinary profit in the previous period <b>8.4%</b> <b>3.0%</b>	Compared with Ordinary profit in the previous period



Achieving Good Life Management



Basic Approach

From its inception, the Group has provided financial products and services that adapt to changing times and trends and suitably meet the diverse needs of its customers.

In an era when life expectancy can reach 100 years, with the

shift from savings to investments occurring in full swing, the Group aims to contribute to achieving good life management by providing financial products and services that meet the diverse needs of our customers and suit their individual life plans.

Specific Initiatives and Strategies

■ Asset Building Support Tailored to the Needs of Our Customers

For the mass affluent class

Tokai Tokyo Securities regards its semi-affluent and upper-mass customers as the “mass affluent class,” and with the medium- to long-term development of financial assets and financial literacy as a major theme, we are developing approaches suited to each customer using the expertise we have accumulated through face-to-face business operations.

More specifically, we seek to provide optimal products and

services to our customers over the long term, from asset formation to planned liquidation thereof, by setting goals specific to customers’ life plans and needs. As such, we serve as a portfolio manager for their entire families, strengthening relations with the next generation in the process.

▶ p. 30

For high-net-worth class

Since 2015, the Group has been developing the service branded “Orque d’or” for its high-net-worth customer segment.

We strive to position “Orque d’or” as a vital business and lifestyle platform for our high-net-worth customers. The “Orque d’or” offers comprehensive, one-stop solutions to the problems

they face, complemented by its superior services that go beyond the realm of finance, such as the exquisite atmosphere of its facility and unparalleled hospitality.

▶ p. 29

■ Providing Financial Education Opportunities

The Group is working to provide financial education opportunities in line with the J-FLEC (Japan Financial Literacy and Education Corporation) initiative. As part of this effort, we conduct a variety of in-person and online seminars that provide timely, lifestyle-tailored information to our customers. Our online seminar “Tokai Tokyo LIVE! Plus” service features instructor-led sessions where customers’ questions and concerns about investments are addressed, in addition to financial lectures and “fun” learning seminars that are designed to be accessible to customers.

Furthermore, with financial education becoming mandatory

in high schools starting in April 2022, the Group now offers internships for high school students in addition to our usual offerings for university students.

In addition to outlining the roles expected of securities firms in the financial and capital markets, we provide interns with opportunities to visit the sales floor, engage with junior employees, and handle actual stock certificates at the Nagoya Stock Exchange, thus supporting the advancement of their financial literacy.

TOPICS

Launch of Official Tokai Tokyo Securities YouTube and X Accounts

Tokai Tokyo Securities has launched an official YouTube channel to distribute investment education content with the hope that inexperienced and novice investors will be able to have fun as they acquire basic financial knowledge. On the official YouTube channel, popular comedians and analysts from the Tokai Tokyo Intelligence Laboratory present videos in which they discuss finance and investment, making the learning of basic financial knowledge more enjoyable.

YouTube Account

<https://www.youtube.com/@TokaiTokyoSecurities/>  
(Japanese only)  
Yarlens & Kuruma’s Money Café M meets Tokai Tokyo Securities



X Account

<https://x.com/TokaiTokyo8616/>  
(Japanese only)  
Tokai Tokyo Securities Official X Account





## Innovation



### Basic Approach

Since its foundation, our Group has regarded innovation as one of our most vital themes, and we have been working to advance it. In the current medium-term management plan, the Group has also identified a “Digital New World” as one of its “key measures to reach the new world.” As an example, we seek to leverage the blockchain technology of the company in which the Group has invested to provide cutting-edge

technology to partner companies and local governments to help them solve a variety of social issues.

We will continue to produce advanced and creative innovations to help our customers build assets and enhance their capital, thereby contributing to the growth of the Japanese economy as well.

### Specific Initiatives and Strategies

#### ■ Financial Innovation

In order to meet the diversifying needs of society, we have opened a new securities company (CHEER Securities) specializing in service provision to smartphone users, and developed new financial products using blockchain technology, thus enabling us to offer services to new customer bases. We are also focusing on “NFT tied to real assets,” which can be enjoyed not only in virtual space but also in the real world. We are proactively

working to provide value beyond the financial products that we have offered to date, such as conducting a pilot trial to sell ownership of small lots of whisky casks as NFTs. Additionally, Tokai Tokyo Investment is collaborating with local medical institutions and other organizations to support startups. We will continue to offer new values and services with the greatest possible speed.

#### ■ Support for Startups through Open Innovation Opportunities

As part of its regional contribution activities, Tokai Tokyo Securities holds study sessions through its Open Innovation College program in Chubu and Tokyo. This provides study opportunities based on open innovation concepts together with corporate executives and university-affiliated persons and serves as a forum for industry, government, and academia to learn about trends in open innovation and exchange ideas. We continue to support the growth of startups by holding regular startup pitch events in both Chubu and Tokyo to discover promising startups and match them with investors. By creating opportunities for exchange between executives of listed

companies and the young executives of startup companies through these events, we provide opportunities for those young executives to develop their careers.

The new “Orque d’or Salon AOYAMA,” established in February 2024, is distinct from the previous “Orque d’or Salons” in that it operates under a new concept which enables “Orque d’or” members and startup executives to use it as a venue for networking and broadening their knowledge.

#### TOPICS

### Helping Startups Will Shape Our Future

Until now, the Group has been supporting startups primarily in the Nagoya and Tokyo areas. In December 2023, we established an organization dedicated to startup support to further promote open innovation and offer greater assistance to startup companies.

So far, several incubation facilities such as Nagoya Innovator’s Garage and Nagono Campus have opened in the Chubu region, and the rapid growth in open innovation and startup support in the Chubu region is further demonstrated by the launch of Japan’s largest startup support center, “STATION Ai,” in October 2024.

In collaboration with Nagoya University and “STATION Ai,” our Group is promoting open innovation in the Tokai region and supporting the growth of startup companies there. The Group will continue to support startup companies by creating opportunities to help them shape the future and contribute to the revitalization of the capital market.



Tokai Tokyo Startup Hiroba  
<https://www.tokaitokyo.co.jp/anshin/tt-startup/>  
(Japanese only)



Chubu Open Innovation College  
<https://www.tokaitokyo.co.jp/chubu-oic/>  
(Japanese only)



## Partnerships



### Basic Approach

Revitalizing local communities is crucial for creating a sustainable society. Our Group has actively contributed to the development of local economies through initiatives such as establishing joint venture securities companies in partnership with regional banks and providing platforms to other securities companies. The development of these platforms, combined with our expertise in traditional business areas and securities know-how, forms the foundation of our Group’s business. Moving forward, we aim to deliver even greater value to society by collaborating with our esteemed business associates, whom we refer to as

Powerful Partners.

Through the Tokai Tokyo Foundation, established in 2016, we will continue to contribute to the future development of local communities. We aim to provide opportunities for developing human resources capable of playing an active role globally, improving financial literacy, and fostering a deeper understanding of the international economy by creating a forum for interaction between companies, universities, and students. Additionally, we will actively support culture, the arts, sports, and other areas.

### Specific Initiatives and Strategies

#### ■ Alliance Strategy

For over 15 years, our Group has built strong partnerships with prominent regional banks in Japan. By incorporating new digital innovations and other forward-thinking features into our existing alliance capabilities, and by expanding our

collaboration with our Powerful Partners, which is an integral part of our current medium-term management plan, we are committed to delivering even greater value to society.

#### ■ Collaborations with Powerful Partners

Building on our strong history of alliances with regional financial institutions, our Group remains focused on achieving further growth and expanding our foundation through alliances and partnerships with our Powerful Partners. In 2023, we reached a basic agreement to collaborate with Japan Post

Bank. By leveraging their extensive nationwide network, we aim to achieve the “Establishment of the Regional Startup Ecosystem.” This collaboration will help us to create an ecosystem for open innovation, support local startups, and significantly contribute to regional revitalization.

#### ■ Regional Contribution through Tokai Tokyo Foundation

In 2016, we established the Tokai Tokyo Foundation to commemorate the 15th anniversary of the Tokai Tokyo Financial Group. The foundation’s mission is to support the development of local communities by fostering local leaders capable of shaping the future of the region and playing an active role globally. Additionally, the foundation aims to create opportunities for local residents to learn about the global economy and society, and to promote arts and culture.

In fiscal 2023, we supported the Tokai Tokyo Foundation Study Abroad Scholarship (AFS Annual Dispatch Program), which aims to foster local leaders capable of shaping the future

of the region and playing an active role globally. Additionally, we supported the Nagoya University Global Education Promotion Project, specifically the “Academic Exchange with Cambridge University,” and the “International Affairs Lecture Series,” designed to provide clear and accessible knowledge about international affairs to citizens and students alike. We also provided grants to seven festival groups to help preserve and continue traditional festivals and folk arts in Aichi Prefecture.

Tokai Tokyo Foundation  
<https://www.tokaitokyo-fh.jp/zaidan/>  
(Japanese only)



#### ■ Athletic Support

As part of our Group’s social contribution activities, we have hired eight top athletes through the Athnavi (Athlete Navigation) athlete career support system operated by the Japanese Olympic Committee. We believe that the collaborative efforts of these athletes, alongside our Group’s executives and employees, will enhance the sense of solidarity among all our members.

To further promote sports culture in the Chubu region, we have founded the “Tokai Tokyo Athlete Development Scholarship” at Chukyo University. This scholarship aims to support the growth and development of student-athletes.







## Basic Approach

Our Group's value stems from our people. We believe that we should be able to boost our corporate value if we enhance the work environment so that every employee remains healthy, energetic, and engaged. For this reason, our Group views maintaining and promoting the health of every employee as a

critical management priority. We are committed to espousing the concept of "well-being," which preaches us to be in good health physically, mentally, and socially, and we are continuously taking on various initiatives to support this vision.

## Specific Initiatives and Strategies

### ■ Our Group's Human Resource Strategy

We strive to be a "company that continues to learn," actively engaging in various efforts to support education and career development to cultivate human resources that possess both high levels of expertise and rich personal qualities.

As part of our efforts to empower employees in their autonomous learning and career development, we offer a variety of career advancement opportunities, including "Career Design Training," "Career Advancement Systems,"

"Cafeteria Training (Personalized Training Plan)," and an "In-house Recruitment System." Additionally, we are actively promoting the Humanity Enhancement Program, which assists employees in personal development beyond the workplace, helping them to become role models within the Company.

▶ p. 46-51

### ■ Practicing Health Management

To prepare a healthy and vibrant working environment for our employees, our Group has publicly announced its "Well-being Declaration" appointing our Executive Officer in charge of Human Resources Management to serve as the Chief Health Officer (CHO) who leads this initiative. We have also established a Health Management Council to promote health management at the executive level.

For instance, in April 2023, we implemented a "Health Management System" designed to monitor the health of all employees through the results of their health check-ups. This

system will also offer recommendations for medical follow-ups and health guidance from occupational physicians, as part of our proactive efforts to detect and prevent illnesses at an early stage.

Our Group's efforts have earned recognition. We have received the certification as a "Health & Productivity Management Organization" from the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Conference) for five consecutive years.



### ■ The "SVJ Challenge" Event

To prevent lifestyle diseases and encourage exercise among our employees, we regularly hold walking events utilizing the "Community Support App" developed by Tokai Tokyo Digital Platform, a member of our Group. At the event held in March 2024, participants averaged 6,000 steps per day, surpassing the threshold needed to prevent lifestyle diseases such as heart disease and stroke. Through the app, participants could see their pedometer data, corporate communications featuring the new "Materiality" (revised in September 2023), and "health exercise videos" created by our employee athletes, providing them with an opportunity to deepen their understanding of our Group's sustainability initiatives.

As part of our efforts to conserve the environment that surrounds us close by, we launched a campaign to collect used

contact lens cases. Through this initiative, we gathered approximately 30,000 cases, resulting in a reduction of around 85 kg of CO<sub>2</sub>.



## Basic Approach

In our pursuit to achieve a carbon-neutral society as early as possible, our Group has established an environmental policy as part of our corporate social responsibility. We are committed to being environmentally conscious and using limited resources effectively to preserve them for future generations.

The medium-term management plan initiated in April 2022 set out and announced publicly our non-financial targets to "halve the greenhouse gas emissions from our business activities compared with the level of fiscal 2021 by March 2027, and further reduce it down to net zero by 2030." We will continue to report on the progress of our efforts in a timely manner, adhering to the framework recommended by TCFD.

### Net Zero GHG Emissions Declaration

- Achieve near net zero GHG emissions from our business by 2030
- Achieve the interim target of halving GHG emissions from our business by March 2027 (compared with the level of fiscal 2021) and disclose the progress on this target as a KPI of the medium-term management plan
- The entire group works as one to help society become decarbonized through our business activities assuming the role of financial services provider

## Initiatives to Achieve Net Zero GHG Emissions

In order to achieve net zero GHG emissions by 2030, our Group is converting its energy sources to renewable kinds across all of our 5 main sites and 15 divisional offices, including all "Orque d'or" salons. Additionally, we are systematically introducing clean energy vehicles for our Company cars.

Moreover, we have installed an online telephone system that utilizes the remote control feature of "bellFace," a video telephone system. Not only does this new system enhance customer convenience but it also reduces CO<sub>2</sub> emissions caused by traveling and achieves a paperless operation.

## Initiatives to Address Climate Change through Financial Business

Sustainable finance is now a very important financial infrastructure for supporting a sustainable economy and society. To contribute to the sustainable development of our planet and society, Tokai Tokyo Securities is underwriting green bonds, which exclusively fund projects that resolve environmental problems, transition bonds that facilitate the move toward a decarbonized society,

and sustainability bonds that are connected to sustainability initiatives.

We remain committed to promoting sustainable finance and supporting fundraising efforts that address a wide range of environmental and social challenges.

### TOPICS

### Environmental Initiative: Orque d'or Salon AOYAMA

The "Orque d'or Salon AOYAMA," launched in February 2024, does not simply use aesthetically pleasing or environmentally high-impact new construction materials, but instead, uses redesigned furniture that repurposes materials after their initial use. In addition, any food waste generated from restaurant operations undergoes methane fermentation and is converted into reusable energy for electricity generation.

We are also taking steps to lessen our environmental impact, for instance, by recycling some of the plastic waste into building materials.



A regenerative design table using discarded plastic materials as raw material\*

\* We also repurpose some of the waste plastic collected during local merchants association events.



# Addressing Climate Change

## (Disclosing Information in Line with TCFD Recommendations)

### Governance

As a financial instruments business operator, the Group recognizes the gravity of the financial sector's environmental issues including climate change. So, we laid down an environmental policy as a guiding principle, and we are implementing corporate actions

that reflect our concern about the environment. We formulate such corporate actions at our Management Meeting and Board of Directors Meetings based on the related reporting and the result of the subsequent deliberation.

### Strategy

#### Awareness of Risks and Opportunities

Risks associated with climate change include those directly attributable to the subject change such as the damage to assets and consequential ones like supply chain disruptions, both of which are classified as physical risks. The other class of risks that may arise from climate change are transition-driven risks including those in financial and reputational nature that

may accompany various revisions to wide-ranging policies and regulations during the shifting process to a decarbonized society. We recognize that such risks may adversely affect the Group's performance and financial standing, depending on the nature and speed of the occurrence.

		Risks	Opportunities
Risk to Be Triggered by Transitions	Policy and Regulatory Changes	We may suffer increased operational costs if the government tightens CO <sub>2</sub> emission reduction requirements or increases the related regulatory constraints.	<ul style="list-style-type: none"><li>Cut energy costs by installing energy-saving equipment.</li><li>Expand the scope of operation by taking on new business opportunities like green investment. We can pursue such new business opportunities by taking advantage of our solid business foothold in Chubu and unique alliance strategy implemented up to now with strong regional banks.</li></ul>
	Impact on Market	Trading losses due to market fluctuations triggered by the sudden transition to a decarbonizing society.	<ul style="list-style-type: none"><li>We expect to see increased customer money inflow into stocks, bonds, and investment funds associated with firms aggressively taking on climate change. Also, we expect to see an appreciation of funds betting on society's decarbonization trend. Thus, we can grow the assets under custody by targeting the market to be favorably impacted by climate change.</li></ul>
	Technology	We may lose earning opportunities if we cannot differentiate ourselves from our peers or offer products and services that align with the changing industrial structure and customer needs as decarbonization technology advances.	<ul style="list-style-type: none"><li>Improved financial product development and enhanced sales capability should allow us to deliver appropriate climate-change-related products and services to customers. We view the decarbonization trend as a viable opportunity that will offer meaningful investment opportunities for individual and corporate customers.</li></ul>
	Reputation	Our reputation may be damaged if we fail to meet the stakeholders' rising expectations for our climate change actions and related disclosures.	<ul style="list-style-type: none"><li>Supporting companies actively engaged in businesses mitigating environmental hazard would help elevate our Company to the one worthy of admiration and respect.</li></ul>
Physical Risk to Be Triggered by Natural Disaster		Massive typhoons, heavy rainfalls of disaster magnitude, and other natural disasters attributable to abnormal weather may deteriorate our business as it may: cause damage to the properties of both our clients and the Company, affect our employees, and disrupt our daily operations, increase costs, and negatively impact our financial performance.	

#### Scenario Analysis

Under the scenarios published by the Network for Greening the Financial System (NGFS), we conducted quantitative and qualitative analyses and assessments of the impact on the Group's finances (costs and revenues) based on the following three scenarios: Orderly—Net Zero 2050, which may minimize both transition and physical risks; Disorderly—Divergent Net Zero, which may cause maximum transition risk; and “Hot

House World—Current Policies,” which may cause maximum physical risk. Overall, the potential impact on the Group's finances was found to be limited. Nevertheless, we reaffirmed the importance of creating business opportunities and promoting measures to address expanding future investment needs in the green sector. We will continue upgrading the level of our analyses.

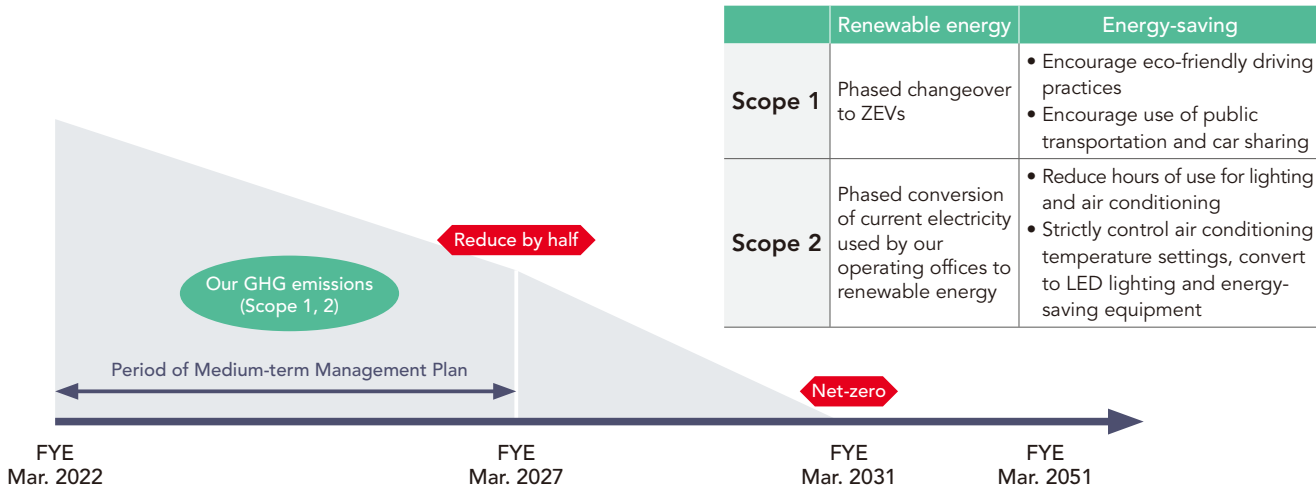
#### Scenario Analysis Overview

Assumed scenario	Network for Greening the Financial System (NGFS) <ul style="list-style-type: none"><li>Orderly - Net Zero 2050 -</li><li>Disorderly—Divergent Net Zero</li><li>Hot House World—Current Policies</li></ul>
Analysis period	As of 2050
Method	Quantitative and qualitative analyses and assessment of impact on finances (costs and revenues)
Result	Limited impact on the Group's finances

#### Transition Plan (Roadmap for the Early Realization of a Decarbonized Society)

In our medium-term management plan, “Beyond Our Limits,” which started in April 2022, we set “Social Value & Justice” KPIs, including the target of cutting CO<sub>2</sub> emissions from our own business in half by March 2027 (compared with the level of fiscal 2021) and achieving net zero by 2030. In December 2022, we endorsed the Paris Agreement of December 2015 and the 2050 Carbon Neutral Declaration announced by the

Japanese government in October 2020. We also formulated our Net Zero GHG Emissions Declaration, which includes our commitment to realizing a decarbonized society through our business activities as a financial services provider. We will review the transition plan as appropriate based on the TCFD and other frameworks and make efforts to help the society to be decarbonized at an early stage.



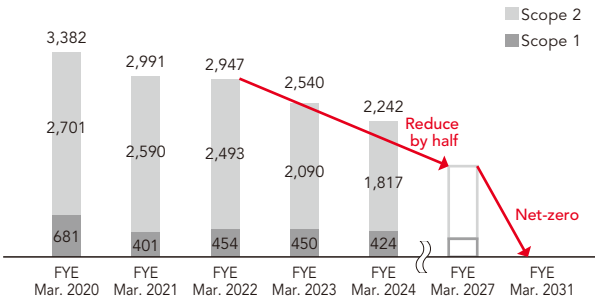
### Risk Management

The Management Meeting identified specific potential climate change risks and opportunities and reported its findings to the Board of Directors. From now onward, we will further improve our analyses and assessments of climate change risks and develop a suitable management system to avoid and mitigate such risks.

### Metrics and Targets

The Group has continuously reduced greenhouse gas (GHG) emissions from its business activities since fiscal 2017. To achieve net-zero emissions by 2030, we will further reduce our emissions by saving energy and using more renewable energy, which currently accounts for about 40% of the Group's energy use.

#### Greenhouse gas emissions (t-CO<sub>2</sub>)



\* GHG emissions (CO<sub>2</sub> emissions) are the total of the emissions from the companies listed below. (The former ACE Securities was added in FY2021.) Tokai Tokyo Financial Holdings, Tokai Tokyo Securities, CHEER Securities, Tokai Tokyo Intelligence Laboratory, Tokai Tokyo Investment, Tokai Tokyo Services (the facility where Tokai Tokyo Securities is located), Tokai Tokyo Business Service, TT Digital Platform



A Message from the Chairperson  
of the Board of Directors

## Toward Achieving “Governance with a Soul”

Tsunehiro Nakayama  
Outside Director,  
Chairperson of the Board of Directors



### Decision-Making That Reflects Stakeholder Interests through Board Chair Leadership

Since Mr. Tateaki Ishida was appointed as President and Representative Director in 2005, Tokai Tokyo Financial Holdings has consistently enhanced its governance effectiveness. Presently, five of our nine Board of Directors members, a majority of the Board, are Outside Directors. As one of these Outside Directors, I have the additional honor of serving as the Chairperson of the Board. This practice, initiated in July 2007, of appointing an Outside Director as Chairperson, distinguishes us as a leader among Prime-listed companies, underscoring our commitment to management transparency and fairness.

While adhering to the formality of governance structure has some advantages, it should not overshadow the core responsibilities at hand. The fundamental role of Outside Directors is to oversee carefully so as not to allow the management to make decisions contrary to the interests of all stakeholders, with a particular focus on shareholders. Of utmost importance for management is that the Board of Directors should emphasize fostering sincere and diverse discussions while upholding the Company's management philosophy to create our medium- to long-term value. At the same time, effective governance practices must guide the Board's deliberations and decision-making processes to ensure accountability and transparency.

As Chairperson of the Board of Directors, I am mindful of the need to facilitate a dynamic board environment where all Directors, both Internal Directors and Outside Directors, can actively participate in discussions based on their varying expertise and insight and contribute to appropriate and effective decision-making. At our current Board of Directors meetings, issues are being identified and information is being shared between the Executives and Outside Directors, and an active and frank exchange of opinions is taking place. A key strength of our Board of Directors and governance practice is the Board's collective awareness of the issues concerning the items on the agenda. Rather than attaching too much importance to the speed of decision-making, we take the time necessary for decision-making by thoroughly discussing the issues.

### The Board of Directors' Mission Is to Pursue Social Values and Fairness in All Aspects of Management

Tokai Tokyo Financial Holdings is currently promoting its medium-term management plan “Beyond Our Limits” with the fiscal year ending March 2027 as its final year. While the plan emphasizes “Social Value & Justice comes first” as a guiding principle, it is precisely the responsibility of the Outside Directors to ensure that these values are pursued in every aspect of the Company's operations. Moreover, I believe that the guidance and oversight of Outside Directors are crucial for attaining effective growth of our Group in the process of planning and implementing our unique management strategies, such as collaborations with Powerful Partners and initiatives aimed at achieving New Bonanza. These strategies require careful planning and execution to ensure successful growth investments. As for strategy formulation and initiative development, we are committed to contributing to the Group's continued growth by providing external perspectives that accurately assess both potential risks and opportunities, verifying that all decisions align with the best interests of our stakeholders.

Under the leadership of Chairman Ishida and President Sato, a new management structure was launched this April. President Sato, a seasoned executive who has worked at major financial institutions and served as President and Chairman of Tokai Tokyo Securities, brings exceptional insights to the role. Chairman Ishida is undoubtedly an unparalleled leader who has driven the growth of our Group with his innovative management approach. As the Chairperson of the Board of Directors, I will work to further improve the effectiveness of governance while maintaining collaboration with the two Representative Directors, other Directors, and Executive Officers, and at the same time, I will aim to realize our vision and mission and achieve “Governance with a Soul” by implementing steadily the five-year management plan.

## Corporate Governance

### Basic Approach

The Tokai Tokyo Financial Group regards enhancing corporate governance as one of its most important management priorities. To this end, we endeavor to establish an organizational structure that enables prompt decision-making and business execution. At the same time, we strengthen and enhance corporate governance to raise management fairness and transparency, earn the trust of all stakeholders, and continuously improve corporate value. We also consider it essential to collaborate with all stakeholders, including shareholders and other investors, to achieve continuous improvement in corporate value.

### Corporate Governance System

A notable feature of our corporate governance is that it has clearly distinguished the functions of business execution and management supervision. Effective June 29, 2016, we transitioned from a “Company with an Audit & Supervisory Board” to a “Company with an Audit & Supervisory Committee” to strengthen the functions of both the Board of Directors and the Audit & Supervisory Committee. The Company's management and administrative structure for decision-making, execution, and supervision is shown in the corporate governance framework below.

Corporate Governance Guideline (Japanese only)  
[https://www.tokaitokyo-fh.jp/asset/pdf/corporate/governance\\_guideline.pdf](https://www.tokaitokyo-fh.jp/asset/pdf/corporate/governance_guideline.pdf)



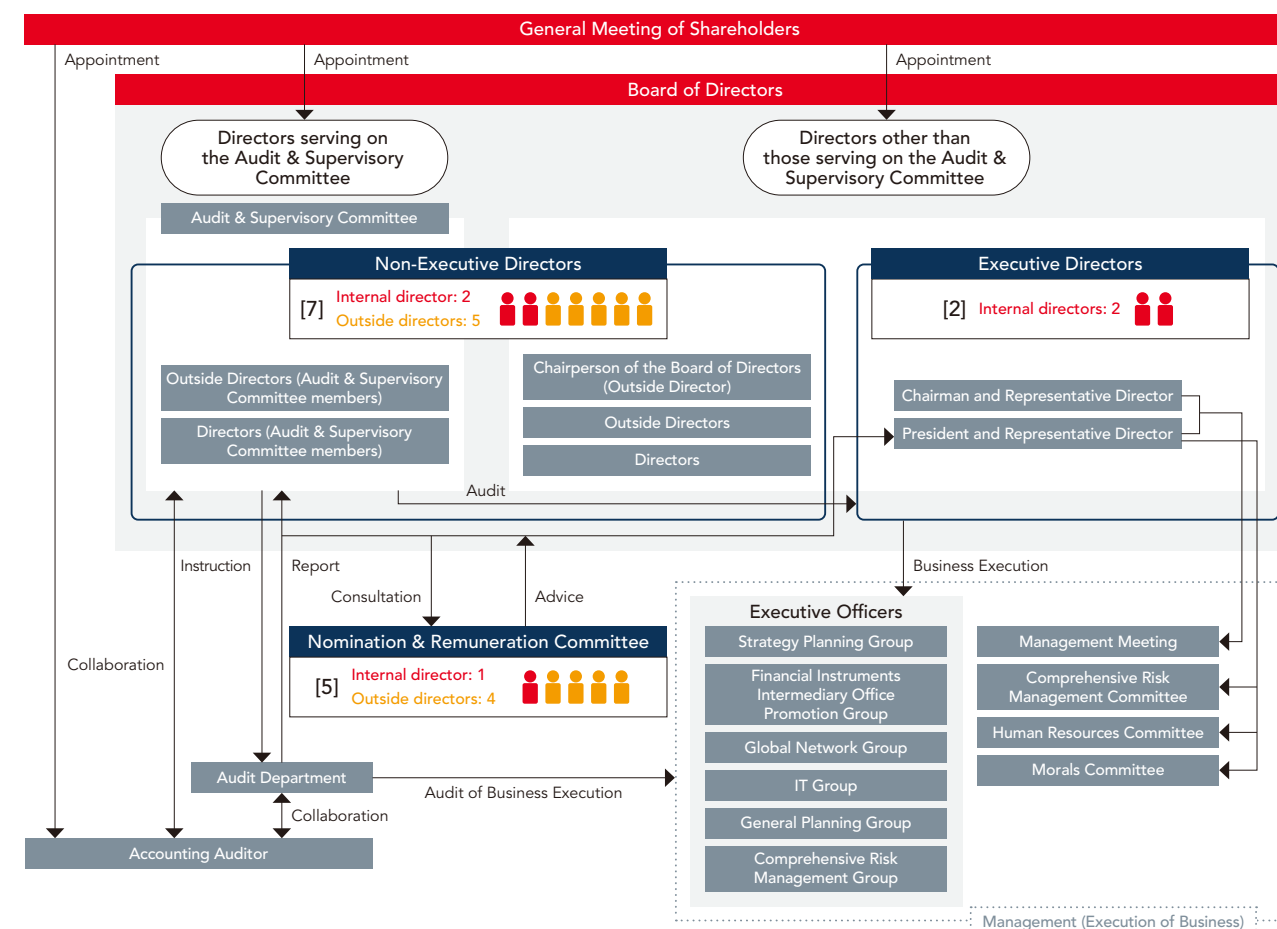
### Key Features of Our Corporate Governance

#### Organizational Framework

As per the Companies Act, we established the Audit & Supervisory Committee. The idea is to delegate important business decisions from the Board of Directors to the Executive Directors, enabling the board's prompt decision-making. This organizational change allows for more strategic and in-depth discussions at the Board Meetings besides strengthening the supervision of management by the Board of Directors. In addition, we established the Nomination & Remuneration Committee to ensure objectivity and transparency in the process of nominating candidates for the Board of Directors, as well as dismissing Directors and determining their remuneration.

Corporate Governance Report  
[https://www.tokaitokyo-fh.jp/en/asset/pdf/corporate/governance\\_report.pdf](https://www.tokaitokyo-fh.jp/en/asset/pdf/corporate/governance_report.pdf)

### Corporate Governance System (as of October 1, 2024)





History of Our Corporate Governance

FYE March 31, 2008 (from June 2007)

- Outside members to represent the majority of the Audit & Supervisory Committee
- Clarified the duties of Executive Officers and Non-Executive Officers
- Board of Directors meetings to be chaired by an Outside Director
- Established basic policy for the internal control system

FYE March 31, 2017 (from June 2016)

- Transition to a Company with Audit & Supervisory Committee
- Annual review of the effectiveness of the Board of Directors
- Formulated guidelines on corporate governance
- Established Nomination & Remuneration Committee

FYE March 31, 2011 (from December 2010)

- Formulated Ethical Code of Conduct

FYE March 31, 2012 (from June 2011)

- Established Group Compliance Hotline

FYE March 31, 2014 (from June 2013)

- Outside Directors to represent the majority of the Board of Directors

Strengthening the Functions of the Board of Directors and Audit & Supervisory Committee

The Company ensures the transparency and fairness of deliberations and the effectiveness of the Board of Directors by having Outside Directors represent the majority of the Board and, in principle, appointing an Outside Director as Chairperson of the Board. We currently have five Outside Directors, three of whom are members of the Audit & Supervisory Committee. As a result, the majority of both the Board of Directors and Audit & Supervisory Committee consist of Outside Directors, which enhances the checks-and-balances function.

Clarifying the Functions of Business Execution and Audit of Management

The Board of Directors consists of Executive Directors who are primarily responsible for business execution and Non-Executive Directors who are mainly responsible for supervising business execution. Thus, the roles of each are clearly defined.

The Board of Directors

The Board of Directors has nine members: five who are not Audit & Supervisory Committee members (including two Outside Directors) and four who are Audit & Supervisory Committee members (including three Outside Directors). Meetings of the Board of Directors are chaired by an Outside Director. The Board of Directors meets once a month in principle to make decisions on important matters stipulated by laws and regulations and basic management policies, discusses agenda proposals (mainly to ensure appropriateness), and supervises the execution of business by each Director. Taking advantage of the transition to a “Company with an Audit & Supervisory Committee,” the Board of Directors has taken steps to create an internal environment that supports appropriate risk-taking by Executive Directors, delegates important business execution decisions to Executive Directors, and ensures prompt decision-making and business execution.

Main agenda items (FYE March 31, 2024)  
13 meetings in total

- Change in Dividend Policy
- Formulation of the Human Rights Policy
- Progress of Management Strategy
- Status reports on audits, risk management, internal control, and compliance

Audit & Supervisory Committee

The Audit & Supervisory Committee has four members (including three outside members) and is chaired by an Outside Director. The Committee assumes that there exists a functioning internal control system that is subject to constant monitoring and verification of its proper working. Audit & Supervisory Committee members then attend meetings of the Board of Directors and other important meetings and hear reports from Directors. They also audit the status of Directors’ execution of duties by inspecting important documents, giving instructions to and receiving reports from the Audit Department, and receiving reports from the Accounting Auditor.

Main activities (FYE March 31, 2024)  
16 times in total

- Formulation of audit plan by the Audit & Supervisory Committee
- Periodic exchange of opinions with the Accounting Auditor
- Confirmation of the status of responses to internal control issues
- Briefing sessions for results of auditing conducted by the Audit Department

Nomination & Remuneration Committee

The Company established the Nomination & Remuneration Committee to ensure objectivity and transparency in the process of nominating candidates for Directors, as well as dismissing Directors and determining their remuneration. The Committee discusses candidates for Directors, the remuneration system for Directors, remuneration levels, details of individual remuneration, and so forth. Here, it refers to remuneration levels in other companies in the same industry, obtained from external database providers. The Committee also reports the results of its deliberations to the Chairman and Representative Director, the Board of Directors, and the Audit & Supervisory Committee. The Nomination & Remuneration Committee shall have at least four members, one of whom shall be the Chairman

and Representative Director and a majority of whom shall be Outside Directors. In principle, the chair of the Committee shall be an Outside Director. Currently, the Committee consists of one Internal Director (Chairman and Representative Director) and four Outside Directors.

Main items discussed (FYE March 31, 2024)  
8 times in total

- Determination of candidates for the Board of Directors  
Payment of bonuses to Directors for FYE Mar. 2023
- Monthly remuneration for Directors and Directors serving as Audit & Supervisory Committee members for FYE Mar. 2024
- Quantity granted of the 15th stock options to Executive Directors of the Company and its subsidiaries

Skills Matrix

		Committees				Main expertise and background							
Name	Title / role	Audit & Supervisory Committee	Nomination & Remuneration Committee	Comprehensive Risk Management Committee	Human Resources Committee	Business Administration	Overseas Assignment	Legal	Financial Accounting	Finance Economics	Administration	ICT	Sustainability
Tateaki Ishida	Chairman and Representative Director Business Execution		○	○	○	○	○		○	○		○	○
Masataka Sato	President and Representative Director Business Execution			○	○	○	○		○	○		○	○
Naoko Kitagawa	Director Non-Business Execution					○				○		○	○
Tsunehiro Nakayama	Outside Director Chairperson of the Board of Directors Independent Director Non-Business Execution		○			○	○		○	○			
Kazumasa Miyazawa	Outside Director Independent Director Non-Business Execution		○			○	○				○	○	
Tetsuji Oono	Director Non-Business Execution	○							○	○			
Joichi Yamazaki	Outside Director Chairperson of the Audit & Supervisory Committee Independent Director Non-Business Execution	○						○		○	○		○
Ayako Ikeda	Outside Director Independent Director Non-Business Execution	○	○				○	○					
Katsuhiko Oota	Outside Director Independent Director Non-Business Execution	○	○			○	○		○	○			

Definitions of Skills

Necessary skill categories (expertise and background) related to important strategies and measures have been selected, taking into consideration the governance role played by the Board of Directors to achieve the medium-term management plan, “Beyond Our Limits.”

Category	Skill details and reasons for selection
Business Administration	Amid significant changes to the business environment surrounding the Group, a wealth of knowledge, experience, and achievements regarding business administration, in general, is necessary in order to achieve the current medium-term management plan and strive to enhance corporate value.
Overseas Assignment	In the Group's core financial instruments business, the market fluctuates on a global basis, and the trends in leading overseas financial institutions concerning the measures and strategies they take and formulate are crucially important. Furthermore, a global viewpoint is also necessary in governance.
Legal	Knowledge and experience regarding regulatory compliance, risk management, and corporate governance are important for the Group that holds up an action guideline of the medium-term management plan: “Social Value & Justice comes first.”
Financial Accounting	Knowledge and experience regarding the field of financial accounting are important for building a solid financial position; realizing appropriate shareholder returns; and executing financial and capital strategies, including investments for growth.
Finance Economics	Knowledge and practical experience of management in finance, our core business, are vital to realize “The Caliber Enlargement as a Financial Service Provider” and “Deploying Key Measures to Reach the New World,” which are the principal elements of the medium-term management plan, and to achieve further growth.
Administration	Knowledge and experience that can be derived from working at public administration organizations are important for us to understand the way of thinking at the said organizations and communicate well with people working there to accomplish the following tasks in the medium-term management plan besides running our main line of business of financial instruments business: 1) collaborating with Powerful Partners, 2) adding New Bonanza capabilities, 3) creating a Digital New World, and 4) regional revitalization in the medium-term management plan.
ICT	IT is vital to attain objectives such as creating new businesses using digital technologies, developing alliances, improving customer service, and improving operating efficiency to reach the Digital New World of the medium-term management plan, and IT knowledge and experience are important in order for the Group to achieve innovative progress.
Sustainability	The Group upholds “Social Value & Justice comes first” as the action guideline of our medium-term management plan. We cherish local communities, people, and the global environment and implement activities to realize a sustainable and better society. Knowledge and experience related to the SDGs and ESG are important in order to achieve this type of sustainability management.



Reasons for Appointment of Outside Directors

Tsunehiro Nakayama

Mr. Nakayama has served for many years as a corporate executive at financial institutions and is highly regarded for his achievements and insights. He has a wealth of experience and insights as an executive at major banks and securities companies and has deep knowledge and expertise about the financial industry. We are confident that he will play a full role as an Outside Director in making decisions on important management matters and supervising the execution of the Company's business operations.

Kazumasa Miyazawa

Mr. Miyazawa has served for many years as a corporate executive in a digital-related industry and is highly regarded for his achievements and insights. He has extensive experience and expertise in companies offering digital-related services. We are confident that he will continue using these attributes to play a full role as an Outside Director in making decisions on important management matters and supervising the execution of the Company's business operations.

Joichi Yamazaki

Mr. Yamazaki served in various high capacities at the Ministry of Finance (including as Deputy Director-General of the Planning and Coordination Bureau, Financial Services Agency) and Director-General of the Tokai Local Finance Bureau. He is highly regarded for his achievements and insights. We are confident that he will continue utilizing his experience in the supervising and auditing of the Company's management.

Board Effectiveness Analysis and Evaluation

Review Process

To confirm that the Board of Directors is diverse, appropriately structured and enables Directors to fulfill their roles, we conducted a self-assessment survey of all Directors using anonymous questionnaires. The results of the survey were deliberated by the Board of Directors.

Findings

As a result of our analysis and evaluation, we concluded that the Board of Directors is performing effectively for each item, as well as overall.

Since 2007, we have emphasized the role of Outside Directors in the composition of the Board of Directors. For example, we have appointed an Outside Director as Chairperson of the Board of Directors, and five of the nine Directors are currently serving as Outside Directors (all meeting our independence criteria). In addition, many respondents expressed the opinion that the expertise and experience of each Director ensured proper diversity of the Board from the governance perspective. With regard to the expected roles

Ayako Ikeda

Ms. Ikeda has served for many years as an attorney and has a wealth of experience, insights, and expertise. Although she does not have direct experience in corporate business execution, she has served on numerous committees in the public sector. As a legal expert, she has played a full role in strengthening the effectiveness of the decision-making and supervisory functions of the Board of Directors from an independent standpoint of management. We are confident that she will continue providing us with proactive opinions on overall management from an objective perspective and also play a role in supervising and auditing management.

Katsuhiko Oota

Mr. Oota has served for many years as a corporate executive at a major steel manufacturer and is highly regarded for his achievements and insights. We are confident that he will utilize his wealth of experience and insights as an executive in the industry in the supervising and auditing of the Company's management.

and actions of Outside Directors, we believe that the management supervision function is sufficiently fulfilled by diverse comments and advice from those Outside Directors. On the other hand, some matters were found to require further attention. First is creating opportunities to understand more about what the entire Group does, including subsidiaries, and allocate more time for discussions in greater depth than previously used. Second, there is also a need to establish more opportunities for free exchange of opinions among Directors outside of Board meetings.

To maintain and evolve the superior governance system we have established, the Board of Directors will use the results of this analysis and evaluation to continue making improvements as necessary to reinforce its functions and further enhance its effectiveness.

Analysis and assessment of the effectiveness of the Board of Directors in FYE Mar. 2023 (Japanese only)  
[https://www.tokaitokyo-fh.jp/asset/pdf/corporate/governance\\_outline.pdf](https://www.tokaitokyo-fh.jp/asset/pdf/corporate/governance_outline.pdf)

Succession Planning

We have established succession planning for the purpose of continued growth while demonstrating the uniqueness of the Group. Our succession planning determines the requirements for human resources and who will be needed in the next management structure. The plan is carried out through the operational process of selecting candidates for succession, training, appraisal, and nomination. The Nomination & Remuneration Committee participates in selecting successors based on this succession planning and continuously monitors whether the operational process is implemented appropriately.

Remuneration System for Directors

The Company has established the Nomination & Remuneration Committee to ensure the objectivity and transparency of the process for determining the remuneration for Directors. The Committee reports to the Chairman and Representative Director, the Board of Directors, and the Audit & Supervisory Committee on the policy, calculation method, and remuneration levels for Directors by referencing relevant data available from external database providers. Remuneration for Directors consists of fixed remuneration and performance-linked remuneration. Furthermore, performance-linked remuneration consists of

bonuses, which provide short-term incentives based on recent Company performance, and stock options, which reflect performance over the medium to long term.

For Executive Directors, the ratio of fixed to performance-linked remuneration is roughly 7 to 3. Outside Directors and Directors who serve on the Audit & Supervisory Committee receive only fixed remuneration.

Calculation Method of Performance-linked Remuneration

Bonuses

Bonuses are designed to reflect consolidated performance in the short term as measured by return on equity and take into account divisional and individual performance evaluations.

Stock Options

The purpose of granting stock options is to align the interests of Directors with those of shareholders while providing an incentive to all the Directors to improve Groupwide performance over the medium to long term, with an ultimate view to uplifting consolidated performance.

Total Remuneration for Directors (including Directors serving as Audit & Supervisory Committee members)

Category	Number of members	Total amount by type of remuneration (millions of yen)			Total
		Monetary remuneration		Stock options	
		Fixed remuneration	Performance-linked remuneration	Performance-linked remuneration	
Directors (excluding Audit & Supervisory Committee Members) (Outside Directors among them)	7 (3)	204 (30)	74 (—)	3 (—)	282 (30)
Directors (Audit & Supervisory Committee Members) (Outside Directors among them)	4 (3)	62 (42)	— (—)	— (—)	62 (42)
Total (Outside Directors among them)	11 (6)	267 (72)	74 (—)	3 (—)	344 (72)

(Note 1) Figures in parentheses denote the number of Outside Directors and payment amounts.

(Note 2) The amounts of performance-linked monetary remuneration, etc., above include ¥74.42 million in bonuses to Directors.

(Note 3) The Audit & Supervisory Committee examined remuneration for Directors other than those serving on the Audit & Supervisory Committee and found no particular points to be cited.



Policies and Procedures for Appointing Directors

Procedures

The Board of Directors selects candidates for Directors (excluding those serving as Audit & Supervisory Committee members) who have the knowledge, experience, and social credibility necessary to practice business management properly, fairly, and efficiently, and who can help improve the Company's supervisory function, in accordance with established criteria for selecting and dismissing Director candidates. With respect to candidates for Directors who are Audit & Supervisory Committee members, the Company appoints persons who have the knowledge, experience, and social credibility necessary to properly, fairly, and efficiently audit the execution of duties by Directors who are not Audit & Supervisory Committee members. Before nominating an Outside Director candidate, the Board considers, in addition to the above criteria, whether the person fulfills the Company's independence criteria. Although Outside Directors constitute a majority of all Directors, the Company established the Nomination & Remuneration Committee to ensure objectivity and transparency in the decision-making process for nominating Director candidates.

As per the above policy, the Board of Directors makes decisions on the nomination of Directors (excluding those serving as Audit & Supervisory Committee members) after

examining the opinion of the Nomination & Remuneration Committee. The Board of Directors makes decisions on the nomination of Directors who are members of the Audit & Supervisory Committee after examining the opinion of the Nomination & Remuneration Committee and after obtaining the approval of the Audit & Supervisory Committee.

Dismissal

The Board of Directors will start proceedings to dismiss any Director who displays a lack of ability to perform his or her directorial duties or whom the Board otherwise deems has contravened the standards for selecting and dismissing Director candidates. As per the above policy, the Board of Directors makes decisions on proposals to dismiss Directors (excluding those serving as Audit & Supervisory Committee members) after soliciting and considering the opinion of the Nomination & Remuneration Committee. In addition, the Board of Directors makes decisions on proposals to dismiss Directors who are members of the Audit & Supervisory Committee after examining the opinion of the Nomination & Remuneration Committee and after obtaining the approval of the Audit & Supervisory Committee.

Strategic Equity Holdings

The Company's policy on strategic equity holdings and the exercise of voting rights on such holdings is set forth in the "Policy on Strategic Equity Holdings" section of its Corporate Governance Guideline. The rationale for keeping such holdings

is examined on a regular basis in light of holding purpose and cost of capital. The Company is working to reduce arrangements for which the rationale for holding is deemed unacceptable, with the objective of reducing them by half.

Number of the Arrangements and Their Carrying Value

Category	As of March 31, 2023		As of March 31, 2024	
	Number of issuers under the arrangements	Carrying value (millions of yen)	Number of issuers under the arrangements	Carrying value (millions of yen)
Unlisted issuer	46	3,407	45	3,157
Others	77	6,176	75	7,385

Basic Policy regarding the Control of the Company

The Company abolished its "Countermeasures against the Large-Scale Purchase of the Company Shares (Anti-Takeover Policy)" in June 2022. In conjunction with this, the Company formulated and disclosed its "Basic Policy on Control of the Company" (basic policy on persons who control decisions on the Company's financial and business policies).

Basic Policy on Control of the Company  
(Corporate Governance Guideline ⇒ P.16–17) (Japanese only)  
[https://www.tokaitokyo-fh.jp/asset/pdf/corporate/governance\\_guideline.pdf](https://www.tokaitokyo-fh.jp/asset/pdf/corporate/governance_guideline.pdf)

Customer-Oriented Business Conduct

Basic Approach

At Tokai Tokyo Securities, we review and announce the content of our "Policies for Customer-oriented Business Conduct" every year at the end of June. Based on the Tokai Tokyo Financial Group's management philosophy, the policy announced at the end of June 2024 defines "deeply understanding customers' respective objectives (life plans) while striving to improve their assets and capital to achieve their goals (what they want to accomplish)" as "pursuing customers' best interests." In accordance with this approach, our salespeople conduct thorough interviews with customers about their life plans and goals and work to propose solutions attainable by the Company.

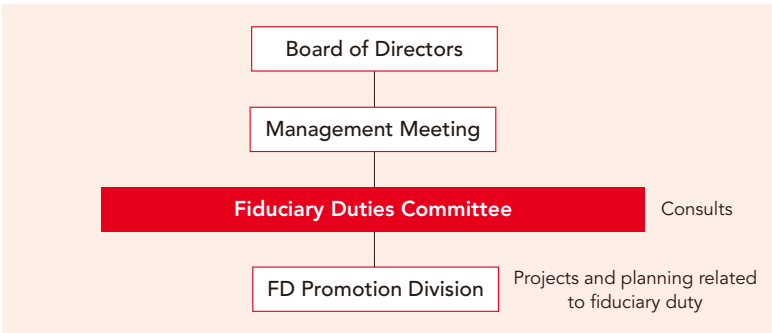
Promotion Framework Regarding Customer-Oriented Business Conduct

Tokai Tokyo Securities was the first in the industry to establish specialist organizations (see the figure below, "Fiduciary Duties Committee" and "FD Promotion Division") in order to promote our initiatives for customer-oriented business conduct to spread and take root. In addition, we have formulated basic principles of conduct for salespeople taking into account our "Policies for Customer-oriented Business Conduct," and we thoroughly follow up on the products held by customers. We have built a framework keeping in mind that each employee maintains a high level of

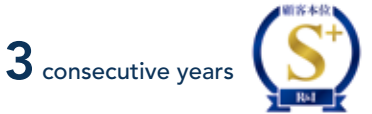
expertise and professional ethics to pursue customers' best interests, and to encourage the enhancement of knowledge and skills through continuing in-house education and training in order to perform duties to customers honestly and fairly.

To confirm that these promotion frameworks function effectively, we conduct customer surveys twice a year and receive the R&I Fiduciary Duty Ratings from a neutral, third-party standpoint.

Going forward, we will continue our endeavors to make customer-oriented business conduct a part of our corporate culture.



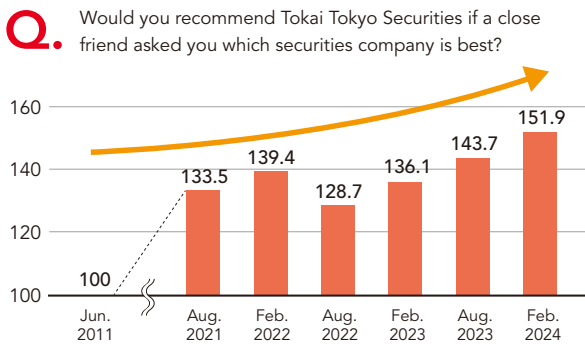
Third-party evaluation  
R&I Fiduciary Duty Ratings



Customer Surveys

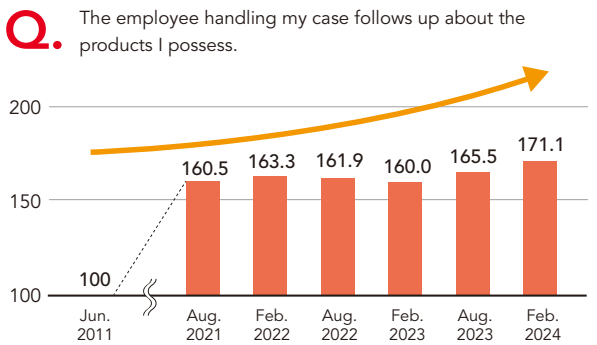
Tokai Tokyo Securities currently sends surveys to a total of 64,000 customers twice a year to hear their opinions and use them to improve customer satisfaction.

NPS® (Net Promoter Score)



This question was answered on a 11-point scale from "10 (Extremely likely)" to "0 (Extremely unlikely)," and NPS was calculated by subtracting the percentage of responses from "6" to "0" from the percentage of responses from "10" to "9." Then, NPS was indicated as the proportion against the total number of responses. The graph shows NPS from the June 2011 survey as 100.

Customer satisfaction from a question on employee support



This question was answered on a five-point scale from "5 (Agree)" to "1 (Disagree)," and responses from "5" to "4" were calculated as satisfaction. The graph shows the satisfaction survey result as of June 2011 as a base value of 100.



# Compliance

## Basic Approach

The Tokai Tokyo Financial Group regards compliance as its most important management issue and has established a system to ensure the appropriateness of its operations.

It also established fundamental standards, such as the Basic Compliance Policy, the Ethical Code of Conduct, and the Code of Ethics, and we are working to implement them properly.

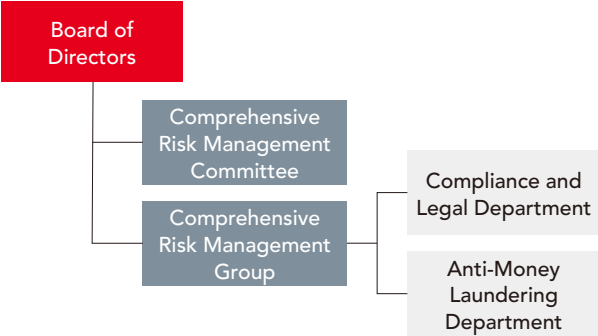
## Compliance Framework

The Group has built a framework to ensure effective compliance with laws and regulations.

We have established the Comprehensive Risk Management Committee to offer opinions about measures to be taken, as well as a specialized department for supervising, monitoring, and providing guidance on compliance and legal matters. To maintain and improve the effectiveness, expertise, and suitability of anti-money laundering and measures to block money inflow to terrorists, we set up a specialized department to enhance Groupwide compliance-related efforts.

Our Ethical Code of Conduct stipulates that all corrupt acts, including bribery, will not be tolerated. We are strengthening management systems to prevent bribery and other corrupt acts consistently throughout the Group.

In addition, we have established a contact point to receive any whistleblowing from anyone from any Group company to reinforce our ability to remove corruption by ourselves.



```
graph TD;
    Board[Board of Directors] --- CRM[Comprehensive Risk Management Committee];
    Board --- CRMG[Comprehensive Risk Management Group];
    CRMG --- CLD[Compliance and Legal Department];
    CRMG --- AMLD[Anti-Money Laundering Department];
```

## Compliance Program

Each company in the Group has formulated a Compliance Program to implement compliance.

For FYE March 2025, we have set a common theme for the Group according to the medium-term management plan.

**“Social Value & Justice comes first”**

As a comprehensive financial group, we will continue to strive for Social Justice and take on the challenge of reaching the New World beyond our limits.

**“Social Value & Justice comes first”**

As a comprehensive financial group, we aim to create Social Value not only through compliance on a rule basis but also by adhering to Social Justice and responding to the ever-changing demands of our stakeholders, including customers, local communities, shareholders, and users of our resources offered free such as facilities, seminars and information.

The Group has set its own four common themes and is working daily to implement compliance.

- 1 Enhancing our expertise and humanity to be a company worthy of admiration and respect
- 2 Understanding and acting on true needs through dialogue with customers
- 3 Preventive risk reduction and proactive risk avoidance planning from a long-term viewpoint
- 4 Acting to protect the best interests of customers, stakeholders, market soundness, and the public

## Internal Reporting System (Whistleblowing System)

The Group has established an Internal Reporting System (Whistleblowing System) based on the Whistleblower Protection Act to prevent and correct business misconduct by officers and employees and to earn the trust of customers and society by cultivating a corporate culture of transparency, honesty, and fairness throughout the Group.

We have established a contact point ensuring independence from related parties to receive any whistleblowing from anyone from any Group company, and our whistleblowing system also allows such whistleblowing to be made directly to an external lawyer.

Any suspected misconduct reported will be investigated in strict confidence, and if any misconduct is discovered, it will be strictly handled.

Whistleblowers are protected by laws and regulations, and the utmost consideration is given to confidentiality and privacy. Thorough precautions are also taken so that whistleblowers do not suffer any disadvantage as a result of reporting.

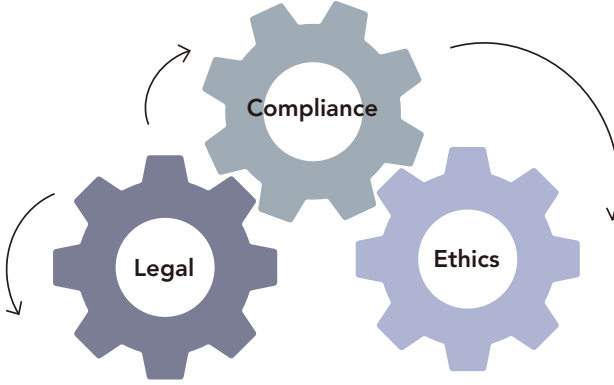
In addition, the Group strives to raise awareness of the Internal Reporting System (Whistleblowing System) through regular study sessions for all officers and employees.

## Establishment of Compliance

The Company conducts regular compliance training to work to establish compliance.

The curriculum covers not only laws and regulations but also the field of ethics to pursue Social Value and achieve Social Justice.

In addition to supporting compliance training at each Group company, we hold a Group Compliance Meeting twice a year, attended by compliance officers and managers from all Group companies, so that an awareness of compliance takes root all across the Group.



## Anti-Money Laundering and Anti-Terrorist Financing

The Group will establish a risk management system for anti-money laundering and anti-terrorist financing based on the Financial Services Agency's "Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism," and other related laws and regulations, as required of a financial group.

Tokyo Tokai Securities, the Group's core subsidiary, has established the "Basic Policy for Anti-Money Laundering and Anti-Terrorist Financing" to build a system for managing money laundering and terrorist financing risks and has determined the matters necessary for the appropriate execution of business to prevent money laundering and terrorist financing.

## Cutting Off Relations with Anti-Social Forces

The Group's Ethical Code of Conduct stipulates that the Company will resolutely take a firm stand against anti-social forces that threaten the order and safety of civil society.

In addition, the "Rules on Cutting Off Relations with Anti-social Forces" set forth specific procedures for blocking relationships with anti-social forces, including the verification of whether a person who enters into a contract with the Company for the first time and existing contractors and business partners, etc., fall under anti-social forces.



# Risk Management Framework

## Basic Approach

In accordance with the Basic Risk Management Policy and the Risk Management Rules, the Group comprehensively manages risks the Company and other Group members face. We also established the Comprehensive Risk Management Committee to engage in deliberations and planning concerning risk management policy, risk management methods, and the matters deemed necessary for risk management practices. The results of the deliberations are reported to the Board of Directors together with proposals.

To address disasters and other emergencies, we are developing and implementing a plan for comprehensive and systematic disaster prevention, emergency solutions, and recovery measures by clarifying the sections and departments responsible for respective actions in accordance with the Basic Crisis Management Policy and the Rules for Managing Disasters and Other Crises.

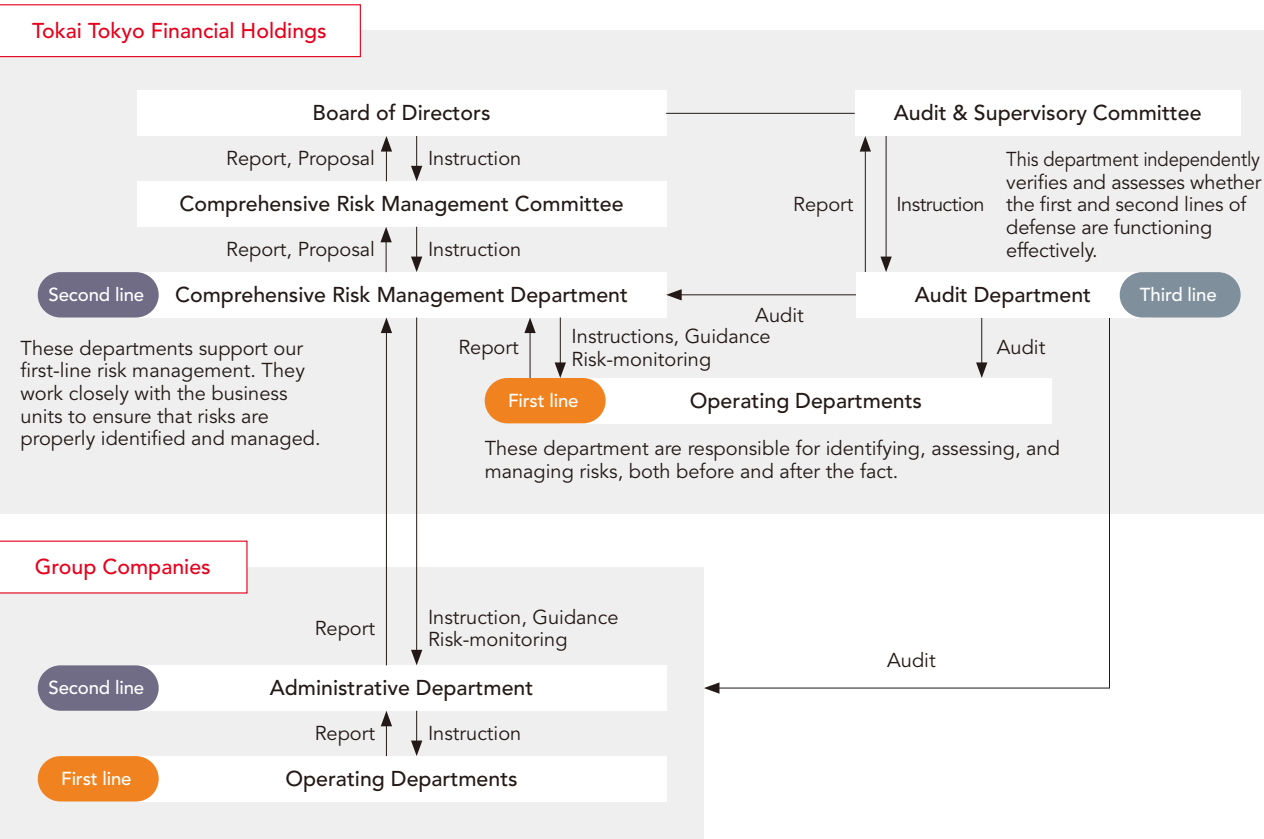
We also established the Comprehensive Risk Management Department, which specializes in supervising, monitoring, and providing guidance on these various risks.

## Business Risk

- Economic and market risk
  - Regulatory risk
  - Competition risk
  - Counterparty risk caused by credit deterioration of customer or debt issuer
  - Funding risk due to worsening financial environment
- System risk
  - Operational risk
  - Information security risk
  - Disaster risk
  - Litigation risk
  - Human resources shortage risk
- Overseas business risk
  - Reputational risk
  - Risk arising from policies and systems of risk management
  - Business expansion risk
  - Climate change risk

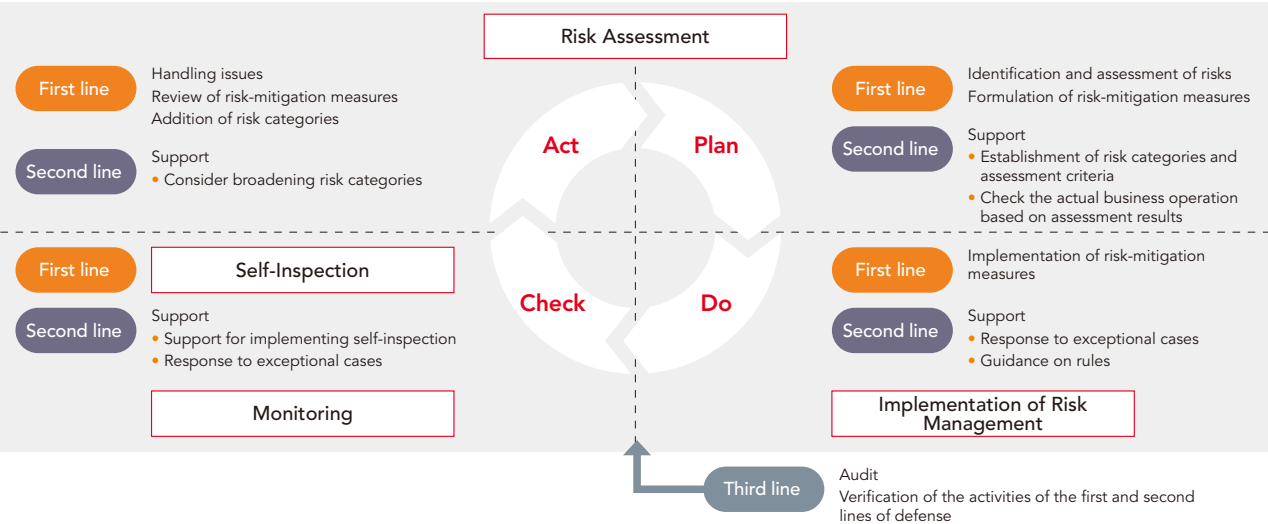
## Three Lines of Defense for Risk Management

Based on the concept of “three lines of defense,” the Group is working to strengthen its risk management system by identifying, assessing, and monitoring risks.



## PDCA Cycle in Risk Management

The Group practices risk management through a PDCA cycle based on risk assessment, self-inspection, and monitoring. The operational status of this PDCA cycle is reported to the Comprehensive Risk Management Committee and Board of Directors.



## Crisis Management for Disasters and Other Crises

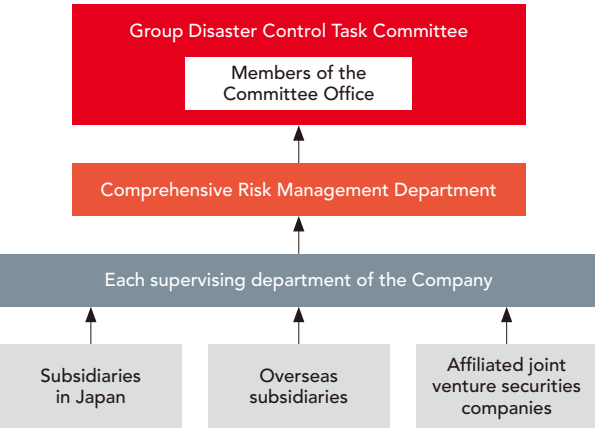
As a holding company whose group includes financial instruments operators that are highly public in nature and founded on social trust, we must respond to society's demands for crisis management.

Therefore, we have formulated a BCP to continue operations as much as possible, minimize damage, and achieve early recovery even in an emergency situation such as a disaster while securing the safety of officers and employees as a top priority.

If an emergency such as a disaster occurs, we will establish the Company's sole Disaster Control Task Committee or a Group Disaster Control Task Committee with Group companies as needed to take appropriate action based on this BCP.

We organize disaster-prevention study sessions and drills. On top of those, we conduct simulated drills every six months, in which members of the Disaster Control Task Committee and

its secretariat (including officers and department heads) participate, to prepare for any emergency situation.



## Tokai Tokyo Securities' Risk Management Framework

Tokai Tokyo Securities established a Market & Credit Risk Committee from a daily operational perspective and an Finance & Accounting Committee to cover overall management. It also formulated related rules and established a system to manage, analyze, and report market risk, credit risk, and liquidity risk.

In addition, as a company operating a financial instruments business that is highly public in nature, we recognize that preparations for responding to crises such as disasters are an important management issue and a crucial matter that must be completed urgently, and we are therefore proceeding diligently with response preparations.







Ayako Ikeda  
Outside Director

Kazumasa Miyazawa  
Outside Director

## Deliberations on Improving Corporate Value

### Enhancing Governance through Specialized Expertise

**Miyazawa** I assumed the position of CEO of SORAMITSU Japan in 2020. Before that assignment, I worked as the General Manager of the Planning Unit of IT Business Department of Sony Corporation of America, the General Manager of the General Planning Unit of Card Business Department of Sony Corporation, and the Chief Strategy Officer (CSO) of Bitwallet. Additionally, I teach Industrial System Engineering and Economics at my alma mater, Tokyo Institute of Technology. I was appointed to the Board of Directors of Tokai Tokyo Financial Holdings in June 2023, and this is my second year serving in this capacity. I am utilizing my prior experience as a manager at prominent digital companies to provide strategic counsel from a wide-ranging perspective, with a particular focus on IT and digital transformation (DX) initiatives.

**Ikeda** I began my legal career in 1984 and was admitted to the New York State Bar in 1991. Throughout my career, I've been actively involved in promoting a fair judicial system, serving as an instructor at the Legal Training and Research Institute, an Executive Director of the Japan Federation of Bar Associations, and Vice President of the Daini Tokyo Bar Association. I joined the Company's Board of Directors in June 2021, and I am currently serving my fourth year as a Director and member of the Audit & Supervisory Committee.

**Miyazawa** I believe that the primary mandate of an Outside Director is to provide independent oversight and advice to management, with a focus on enhancing the effectiveness of strategies/measures, maximizing shareholder value, ensuring compliance with legal and regulatory requirements, and protecting the interests of all stakeholders, while balancing all of these management themes. I am dedicated to serving as an effective Outside Director and supporting the Company's efforts to

contribute to the economic growth and social well-being of Japan. **Ikeda** Unlike Mr. Miyazawa, who has a wealth of experience in corporate management, my expertise lies in the legal and regulatory fields. In addition to my management experience in legal associations, I have served as a member of the Information Disclosure Review Board of the Ministry of Internal Affairs and Communications. I believe that my unique perspective, assisted by my experience in these areas and having something in common with ordinary investors, can contribute to the Company's strategic decision-making, implementation of measures, and appropriate disclosure.

### Striving toward the Realization of "Social Value & Justice comes first"

**Miyazawa** What is your impression of Tokai Tokyo Financial Group's corporate culture and governance? I greatly value Tokai Tokyo Financial Group's steadfast commitment to its unique strategic goals and its sincere management approach, embodied by the guiding principle "Social Value & Justice comes first." At the Board of Directors meetings, the Directors exchange opinions freely and openly on the various agenda items. Under the leadership of Chairman Ishida and President Sato, the Company demonstrates strong governance practices that align with the best interests of its stakeholders.

**Ikeda** I share your opinion. The fact that five of the nine Board Members are Outside Directors indicates that the management team sincerely seeks input and feedback from Outside Directors, and there is thorough communication and sharing of management information.

**Miyazawa** The Company's open corporate culture places significant responsibility on Outside Directors. The Company is currently working to create innovations through DX, such as CHEER Securities, a securities company specializing in smartphone-based brokerage service, and the "TT Digital Platform," which is leading regional development. I feel that it is also my role to help improve the effectiveness of our Company's digital strategy from an external perspective.

### Thorough Discussions on Risks and Opportunities Will Steer the Medium- to Long-Term Plan to Success

**Ikeda** Our Group occupies a distinctive position within the financial industry. Our medium-term management plan,

"Beyond Our Limits," outlines a unique strategy that is not matched by other companies, including collaborative value creation with Powerful Partners and the acquisition of New Bonanza. To implement these unique strategies, we must ascertain and analyze risks and opportunities, with scrupulous efforts to enhance the effectiveness of strategies and measures. Outside Directors should carefully scrutinize whether the decisions made by the executive team are aligned with the interests of stakeholders.

**Miyazawa** As Director Ikeda emphasized, it is important to discuss risk thoroughly to ensure a strategy's effectiveness and fairness. But it's also true that growth can't happen without risks. In Japanese corporate society, there's an increasing focus on management that considers the cost of capital and stock prices, but I believe it's crucial to aim for maximizing corporate value by balancing cash allocation. This means strengthening the financial base, investing in medium- to long-term growth, and providing shareholder returns. Additionally, expanding human capital, which is the foundation of business advancement, is a key management issue. We need to improve employee treatment to boost motivation and secure strong engagement.

**Ikeda** As times change, the financial business landscape is evolving rapidly. Companies now face more diverse demands, from cost-of-capital-conscious management and streamlining operations through DX to contributing to environmental and socio-economic sustainability. Moreover, expanding diversity in management systems has become a critical focus. At our Company, the President of Tokai Tokyo Securities, Ms. Kitagawa, and I are both female Directors, and there are also several female Directors and Executive Officers at Tokai Tokyo Securities. Moving forward, we aim to continue diversifying our organization and workforce, enhance our stakeholder engagement, and lead our Group's efforts to create social value.

**Miyazawa** AI and digital transformation (DX) are seen as key tools for revolutionizing business structures. However, AI can't replicate human tasks like fostering trust or maintaining close communication. The focus should be on maximizing capital use through AI and DX while contributing to customers' asset growth. I will use my own experience to collaborate with top management, both Internal Directors and Outside Directors, and Executive Officers to help build a corporate Group that drives economic and societal development through digital technology.



# Members of the Board

(As of June 26, 2024)

As the leaders of our financial operations, our Directors must possess their diverse experience and knowledge to expand and grow our business further. We expect them to achieve the goals of our current medium-term management plan, “Beyond Our Limits,” as well as to assume the governance role of the Board of Directors. Thus, we have selected the members of the Board who have the skills (expertise and background) necessary to implement the aforementioned key strategies and measures.

1

Tateaki Ishida

Chairman and Representative Director (Attendance at Board of Directors meetings during the fiscal year under review: 13/13)

Apr. 1968 Joined The Tokai Bank, Ltd. (now MUFG Bank, Ltd.)

Apr. 1992 President & CEO, Tokai Bank Europe plc

Jun. 1994 Director, The Tokai Bank, Ltd.

Jun. 1996 Managing Director, The Tokai Bank, Ltd.

Jun. 1998 President, Tokai Asset Management Co., Ltd.

Apr. 2001 Chairman, Tokai Bank Europe plc

Apr. 2002 Chairman, UFJ International plc

Apr. 2003 CEO, UFJ International plc

May 2004 Advisor of the Company

Jun. 2004 Deputy President & Representative Director of the Company

Mar. 2005 President and Representative Director of the Company

Jun. 2006 President & CEO and Representative Director of the Company

Apr. 2009 Chairman & CEO and Representative Director of Tokai Tokyo Securities Co., Ltd.

Apr. 2019 Director of Tokai Tokyo Securities Co., Ltd. (current position)

Jun. 2021 Chairman and Representative Director of the Company (current position)

2

Masataka Sato

President and Representative Director \*Newly appointed

Apr. 1983 Joined The Tokai Bank, Ltd. (now MUFG Bank, Ltd.)

Apr. 2004 General Manager, Asset Finance Team, UFJ Bank Limited

Apr. 2008 Branch Manager, Komaki Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Nov. 2010 Joined Tokai Tokyo Securities Co., Ltd. as Deputy Head of Investment Banking Unit

Oct. 2011 Deputy Head of Corporate Solution Unit, Tokai Tokyo Securities Co., Ltd.

Apr. 2012 Deputy Head of Corporate Finance Unit, Tokai Tokyo Securities Co., Ltd.

Apr. 2013 General Manager of General Planning Department and Financial Planning Department, the Company

Oct. 2013 Executive Officer, Deputy Head of General Planning Group, General Manager of General Planning Department and Financial Planning Department, the Company

Apr. 2014 Executive Officer, Deputy Head of General Planning Group, the Company

Apr. 2015 Managing Executive Officer, Head of General Planning Group, the Company

Apr. 2016 Managing Executive Officer, Head of Corporate Finance Unit, Tokai Tokyo Securities Co., Ltd.

Apr. 2017 Senior Managing Executive Officer, Head of Retail Sales Unit, Tokai Tokyo Securities Co., Ltd.

Apr. 2018 Senior Managing Executive Officer, Head of Retail Company, Tokai Tokyo Securities Co., Ltd.

Apr. 2019 Senior Managing Executive Officer, Head of Strategic Planning Group, the Company

May 2020 Deputy President, Supervising General Planning Group, Strategic Planning Group and Digital Strategy Group, the Company

Jun. 2020 Director and Deputy President, Supervising General Planning Group, Strategic Planning Group and Digital Strategy Group, the Company

Jun. 2021 Representative Director and President, Tokai Tokyo Securities Co., Ltd.

Apr. 2023 Representative Director and Chairman, Tokai Tokyo Securities Co., Ltd.

Oct. 2023 Representative Director and Chairman of Tokai Tokyo Securities Co., Ltd. and Assistant to Chairman of the Company

Apr. 2024 Director of Tokai Tokyo Securities Co., Ltd. (current position)

President of the Company

May 2024 President and Head of Strategy Planning Group, the Company

Jun. 2024 President and Representative Director and the Head of Strategic Planning Group, the Company

Aug. 2024 President and Representative Director of the Company (current position)



3

Naoko Kitagawa

Director \*Newly appointed

Apr. 1990 Joined Maruman Securities Co., Ltd.

Sep. 2005 General Manager of Komaki Branch, the Company

Apr. 2008 General Manager of Toyota Branch, the Company

May 2011 General Manager of Sales Department II, Nagoya Branch, Tokai Tokyo Securities Co., Ltd.

Apr. 2013 Executive Officer, Deputy General Manager of Wealth Management Division, Tokai Tokyo Securities Co., Ltd.

Apr. 2014 Executive Officer, General Manager of Wealth Management Division, Tokai Tokyo Securities Co., Ltd.

Apr. 2015 Managing Executive Officer, General Manager of Wealth Management Division, Tokai Tokyo Securities Co., Ltd.

Apr. 2017 Senior Managing Executive Officer, assuming special assignment, the Company

May 2017 Deputy President and Executive Officer in charge of Planning, Takagi Securities Co., Ltd.

Jun. 2017 Representative Director and Deputy President, Head of Planning & Administration Unit, Takagi Securities Co., Ltd.

Sep. 2019 Senior Managing Executive Officer in charge of General Planning Group, the Company

Apr. 2021 Senior Managing Executive Officer, Deputy Head of Global Market Company, Tokai Tokyo Securities Co., Ltd.

Apr. 2022 Deputy President, Head of Global Market Company, Tokai Tokyo Securities Co., Ltd.

Apr. 2023 Representative Director and President, Tokai Tokyo Securities Co., Ltd. (current position)

Jun. 2024 Director of the Company (current position)

4

Tsunehiro Nakayama

Outside Director (Attendance at Board of Directors meetings during the fiscal year under review: 13/13)

Apr. 1971 Joined the Industrial Bank of Japan, Limited

Jun. 1999 Executive Officer and General Manager of Corporate Banking Dept. No. 1 of the Industrial Bank of Japan, Limited

Sep. 2000 Managing Executive Officer of Mizuho Holdings Inc.

Apr. 2002 Managing Executive Officer of Mizuho Corporate Bank, Ltd.

Apr. 2004 Deputy President (Representative Director) and Chief Compliance Officer of Mizuho Corporate Bank, Ltd.

Apr. 2007 Adviser of Merrill Lynch Japan Securities Co., Ltd.

May 2007 Chairman and Representative Director of Merrill Lynch Japan Securities Co., Ltd.

Nov. 2008 Chairman, President, and Representative Director of Merrill Lynch Japan Securities Co., Ltd.

Mar. 2009 Chairman, President, and Representative Director of Merrill Lynch Japan Securities Co., Ltd.

Japan Country Executive of Bank of America Group (Additional function)

Jul. 2010 Chairman and Representative Director of Merrill Lynch Japan Securities Co., Ltd.

Jun. 2017 Director of Merrill Lynch Japan Securities Co., Ltd.

Jul. 2017 Special Adviser of Merrill Lynch Japan Securities Co., Ltd.

Jun. 2018 Director of the Company

Jun. 2019 Director, Mitsui Fudosan Co., Ltd. (current position)

Jun. 2020 Director (Audit & Supervisory Committee member) of the Company

Jun. 2021 Director of the Company (current position)

May 2024 Director of Showa Nishikawa Co., Ltd. (current position)

8

Ayako Ikeda

Outside Director, Audit & Supervisory Committee member (Attendance at Board of Directors meetings during the fiscal year under review: 13/13)

Apr. 1984 Admitted to the Daini Tokyo Bar Association, admitted to Harago Law Office (now Harago & Partners Law Office)

Jan. 1990 Admitted to Steptoe & Johnson LLP, USA

Apr. 1991 Admitted to practice in New York State

Sep. 1992 Admitted to Hamada & Matsumoto (now Mori Hamada & Matsumoto) (current position)

Apr. 2002 Professor (civil disputes) at The Legal Training and Research Institute of Japan

Apr. 2006 Deputy Secretary General of the Japan Federation of Bar Associations

Apr. 2015 Executive Director of the Japan Federation of Bar Associations

Vice President of the Daini Tokyo Bar Association

Jun. 2021 Director of the Company (Audit & Supervisory Committee member) (current position)

Mar. 2024 Director of Tokyo Ohka Kogyo Co., Ltd. (current position)

9

Katsuhiko Oota

Outside Director, Audit & Supervisory Committee member \*Newly appointed

Apr. 1977 Joined Nippon Steel Corporation

Jul. 1993 General Manager of Fund No. 2 Office, Fund Department, Nippon Steel Corporation

Jul. 1994 General Manager of Fund No. 1 Office, Finance Department, Nippon Steel Corporation

Jul. 2011 Leader of Financial Management Group, Finance Department, Nippon Steel Corporation

Apr. 2007 Executive Officer and General Manager of Corporate Planning Department, Nippon Steel Corporation

Jun. 2011 Managing Director, Nippon Steel Corporation

Apr. 2013 Representative Director and Executive Vice President and Head of Global Business Development, Nippon Steel & Sumitomo Metal Corporation

Jun. 2016 Representative Director and President, Nippon Steel & Sumikin Chemical Co., Ltd.

Apr. 2019 Director and Senior Advisor, NIPPON STEEL Chemical & Material Co., Ltd.

Jun. 2020 Senior Advisor, NIPPON STEEL Chemical & Material Co., Ltd.

Apr. 2021 Councillor, Seikei Gakuin (current position)

Jun. 2021 Advisor, NIPPON STEEL Chemical & Material Co., Ltd.

Dec. 2023 Resigned from NIPPON STEEL Chemical & Material Co., Ltd.

Jun. 2024 Director of the Company (Audit & Supervisory Committee member) (current position)

5

Kazumasa Miyazawa

Outside Director (Attendance at Board of Directors meetings during the fiscal year under review: 10/10)

Apr. 1980 Joined Sony Corporation

Apr. 1997 General Manager, Planning Unit of IT Business Department, Sony Corporation of America

Apr. 1999 General Manager, General Planning Unit of Card Business Department, Sony Corporation

Jan. 2001 Managing Executive Officer, Chief Strategy Officer, Bitwallet Service Group

Oct. 2006 Lector of Engineering for management system, Tokyo Institute of Technology (current position)

Jan. 2010 Executive Officer, General Manager of Planning Department, Rakuten Edy, Inc.

Jan. 2017 Chief Operating Officer of SORAMITSU Japan

Apr. 2020 Chief Executive Officer of SORAMITSU Japan (current position)

Apr. 2020 Director of Digital Platformer Corporation

Oct. 2021 Director of ReNet Soramitsu Financial Technology Co., Ltd. (current position)

Jun. 2023 Director of the Company (current position)

6

Tetsuji Oono

Director, Audit & Supervisory Committee Member (Attendance at Board of Directors meetings during the fiscal year under review: 13/13)

Apr. 1983 Joined Maruman Securities Co., Ltd.

Dec. 1992 Joined Maruman Finance Co., Ltd.

Aug. 1996 Joined Central Capital Co., Ltd.

Jul. 2000 Joined the Company

Jul. 2003 General Manager of Investment Banking Department, Nagoya, the Company

Apr. 2007 General Manager of Corporate Solution Department of the Company

Apr. 2009 General Manager of Corporate Finance Department, Nagoya, Tokai Tokyo Securities, Co., Ltd.

Apr. 2010 General Manager of Headquarters Sales Promotion Department; Head of Headquarters Sales Promotion Section, Tokai Tokyo Securities, Co., Ltd.

Apr. 2012 General Manager of General Planning Department of the Company

Apr. 2013 General Manager of Corporate Sales Department (First), Tokyo, Tokai Tokyo Securities, Co., Ltd.

Apr. 2014 General Manager of Corporate Sales Department, Tokyo, Tokai Tokyo Securities, Co., Ltd.

Apr. 2015 General Manager of Financial Planning Department of the Company

General Manager of Finance Department, Tokai Tokyo Securities, Co., Ltd.

Apr. 2017 Executive Officer, General Manager of Financial Planning Department of the Company

Executive Officer, General Manager of Finance Department, Tokai Tokyo Securities, Co., Ltd.

Apr. 2019 Managing Executive Officer, Deputy Head of General Planning Group, and General Manager of General Planning Department of the Company

May 2020 Advisor of the Company

Jun. 2020 Director of the Company (full-time Audit & Supervisory Committee member) (current position)

Auditor, Tokai Tokyo Foundation (current position)

7

Joichi Yamazaki

Outside Director, Audit & Supervisory Committee member (Attendance at Board of Directors meetings during the fiscal year under review: 13/13)

Apr. 1978 Joined Ministry of Finance (MOF)

May 1985 Deputy Director of the Government Debt Division, Financial Bureau, MOF

Jan. 1995 Counselor at the Embassy of Japan in Korea

Jul. 1997 Director of the Bond Market Office, Securities Market Division, Securities Bureau, MOF

Dec. 1998 Director of the Financial Crisis Management Division, Executive Bureau, Financial Reconstruction Commission

Jul. 2000 Director, Budget Bureau (in charge of budgets for the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment), MOF

Dec. 2005 Deputy Director-General of the Planning and Coordination Bureau (in charge of the Supervision Bureau), Financial Services Agency

Jul. 2009 Director-General of the Tokai Local Finance Bureau

Jul. 2010 Director-General of the Kinki Local Finance Bureau

Jul. 2011 Vice President, the National Printing Bureau

Jul. 2012 Principal of the National Tax College

Feb. 2013 Left the MOF

Mar. 2013 Audit & Supervisory Board Member of the Norinchukin Bank

Dec. 2018 Advisor of Somojo Japan Insurance Inc.

May 2019 Full-time Audit & Supervisory Board Member of Somojo Japan DC Securities Inc.

Jun. 2020 Director of the Company (Audit & Supervisory Committee member) (current position)

(Note 1) Attendance at Board of Directors meetings indicates attendance in the fiscal year under review (April 1, 2023, to March 31, 2024).

(Note 2) For dates up to March 2009, “the Company” indicates Tokai Tokyo Securities Co., Ltd., the Company’s trade name at the time. For April 2009 and later dates, “the Company” indicates Tokai Tokyo Financial Holdings, Inc., the current trade name.



Eleven-Year Financial and Non-Financial Summary

	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024
Consolidated statement of income (Millions of yen)											
FYE											
Commission received	54,939	44,082	34,267	26,934	35,907	28,954	29,172	31,173	37,575	32,929	42,239
Brokerage commission	26,301	19,016	16,538	12,930	17,415	10,729	12,239	13,936	13,929	11,758	17,783
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	921	779	883	738	811	1,247	702	1,076	1,333	1,112	1,146
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	21,149	18,105	10,481	6,916	7,844	6,951	6,519	6,461	9,939	6,900	8,182
Other fees received	6,567	6,180	6,363	6,349	9,836	10,025	9,710	9,700	12,372	13,157	15,126
Net trading income*1	32,775	35,427	30,329	35,737	45,095	32,179	29,510	34,008	33,998	31,287	40,439
Stocks	10,484	16,732	11,691	13,779	22,227	15,401	14,010	22,369	16,185	13,630	25,497
Bonds and Forex	22,291	18,695	18,638	21,957	22,867	16,778	15,499	11,639	17,813	17,656	14,941
Financial revenue*1	2,831	3,190	2,987	2,741	4,258	3,638	3,011	4,180	9,401	9,165	6,523
Total operating revenue	90,547	82,700	67,584	65,412	85,261	64,772	61,694	69,362	80,975	73,383	89,201
Financial expenses	1,865	1,325	1,306	1,684	2,342	2,219	1,926	2,321	2,726	3,784	2,509
Net operating revenue	88,682	81,374	66,277	63,728	82,919	62,553	59,767	67,041	78,249	69,598	86,692
Selling, general and administrative expenses*2	58,434	56,303	53,634	54,230	65,472	62,945	60,591	57,355	68,368	66,438	71,387
Personnel expenses	28,971	28,002	24,888	25,336	31,110	29,544	27,827	27,501	32,320	30,836	33,928
Operating profit	30,248	25,071	12,643	9,497	17,446	(391)	(823)	9,685	9,881	3,159	15,304
Non-operating income*2	3,420	3,522	2,765	3,935	3,693	1,712	1,971	3,234	3,341	4,219	3,435
Share of profit of entities accounted for using equity method	1,708	1,669	948	2,058	1,963	—	—	1,591	1,179	—	506
Non-operating expenses	262	69	111	163	200	388	446	371	243	1,033	341
Share of loss of entities accounted for using equity method	—	—	—	—	—	61	94	—	—	749	—
Ordinary profit	33,405	28,524	15,297	13,269	20,939	932	700	12,548	12,979	6,346	18,397
Profit before income taxes	35,307	28,896	17,925	16,195	31,742	1,528	3,049	12,827	17,828	6,099	18,330
Profit attributable to owners of parent	23,243	18,499	12,423	11,990	25,397	1,079	2,763	9,094	13,150	1,953	10,189
Consolidated balance sheets (Millions of yen)											
Total current assets	580,345	415,327	525,258	688,551	902,103	1,323,532	1,043,541	1,342,676	1,505,707	979,880	1,312,677
Trading products	224,158	198,053	259,234	292,495	388,099	657,524	422,351	588,098	529,440	272,917	328,216
Total non-current assets	36,924	42,778	43,290	53,884	62,429	67,544	69,772	73,893	75,523	76,139	87,682
Total assets	617,270	458,106	568,548	742,435	964,533	1,391,076	1,113,313	1,416,569	1,581,231	1,056,020	1,400,360
Total current liabilities	466,243	282,986	388,658	510,399	704,507	1,137,726	853,507	1,143,073	1,254,845	754,508	1,058,720
Trading products	76,593	70,125	137,111	192,454	281,709	546,499	341,416	379,293	444,613	235,926	422,974
Total non-current liabilities	7,808	17,379	24,245	74,357	84,564	88,431	98,781	100,176	140,114	119,474	147,919
Total liabilities	474,340	300,755	413,344	585,206	789,683	1,226,776	952,908	1,243,884	1,395,663	874,672	1,207,425
Total net assets	142,929	157,351	155,204	157,229	174,849	164,300	160,404	172,684	185,568	181,348	192,935
Consolidated statement of cash flows (Millions of yen)											
Cash flows from operating activities	(14,701)	37,746	12,302	2,944	19,332	(72,750)	10,945	(73,074)	5,672	107,307	12,814
Cash flows from investing activities	5,452	(2,214)	(775)	(8,507)	(588)	(9,615)	(6,686)	(12,397)	(23,011)	(18,620)	(42,571)
Cash flows from financing activities	1,864	(18,937)	(21,829)	35,864	(1,617)	39,695	18,227	104,805	32,355	(57,593)	(4,530)
Cash and cash equivalents at the end of the period	39,141	56,039	44,615	72,043	89,204	46,274	63,201	81,950	98,442	130,423	96,651
ROE, per share data, and non-financial information											
Net income per share (Yen)	87.68	69.51	46.92	45.73	97.27	4.18	11.04	36.62	52.94	7.85	40.86
Net assets per share (Yen)	528.26	579.91	580.16	593.47	668.18	625.05	630.24	666.65	694.86	679.99	718.21
Return on equity (ROE) (%)	17.7	12.6	8.1	7.8	15.5	0.6	1.7	5.6	7.8	1.1	5.8
Dividend per share (Yen)	32.00	34.00	28.00	26.00	38.00	16.00	8.00	22.00	24.00	16.00	28.00
Assets under custody (Tokai Tokyo Financial Group) (Billions of yen)	52,989	59,955	51,784	56,105	64,777	62,486	57,419	71,709	82,990	86,646	109,590
Non-financial information											
Number of employees (Year-end) (Consolidated)	2,214	2,353	2,391	2,483	2,753	2,861	2,534	2,442	2,847	2,747	2,655
Percentage of women in management positions (Year-end) (Tokai Tokyo Financial Holdings, Tokai Tokyo Securities) *3 (%)	13.0	15.2	17.6	21.0	22.2	23.9	13.3	13.4	14.5	16.8	17.5
Training expenses (including commissions to Tokai Tokyo Intelligence Laboratory) (Millions of yen)	433	479	493	547	622	727	604	534	527	589	534
Energy usage intensity (Tokai Tokyo Securities) (Comparison to previous fiscal period) (%)	97.0	96.4	96.9	99.3	97.0	97.3	100.9	100.9	101.6	93.9	93.2
CO <sub>2</sub> emissions (Tokai Tokyo Securities) (t-CO <sub>2</sub> )	4,310	3,938	3,671	3,499	3,243	3,009	2,851	2,699	2,642	2,811	2,760

\*1 Net trading income, Financial revenue: Effective from FYE March 31, 2020, the method of presenting these items has been changed from that used in previous fiscal years. The new method has been applied retroactively to these items for FYE March 31, 2019.

\*2 Selling, general and administrative expenses, Non-operating income: Effective from FYE March 31, 2022, the method of presenting these items has been changed from that used in previous fiscal years. The new method has been applied retroactively to these items for FYE March 31, 2021.

\*3 As of April 1. The formula was changed in April 2020 following the revision of the personnel system.

(Note 1) The provisional accounting treatment for business combinations was made in FYE March 31, 2018. Subsequently, each figure for FYE March 31, 2017 reflects such provisional accounting treatment.

(Note 2) On February 16, 2018, the Accounting Standards Board of Japan (ASBJ) amended the Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28). We adopted the amended standard at the start of FYE March 31, 2019. The amended standard has been applied retroactively to the key financial metrics for FYE March 31, 2018.



Financial Results for the Fiscal Year Ended March 31, 2024

Consolidated Financial Results of Operation (Millions of yen)

	Mar. 2023	Mar. 2024
Operating revenue	73,383	89,201
Net operating revenue	69,598	86,692
Operating profit	3,159	15,304
Ordinary profit	6,346	18,397
Profit attributable to owners of parent	1,953	10,189
Return on equity (ROE) (%)	1.1	5.8

In FYE March 2024, the results were as follows. Operating revenue increased by 21.6% (increase/decrease percentage year-on-year, the same applies below) to ¥89,201 million. Net operating revenue increased by 24.6% to ¥86,692 million. Operating profit increased by 384.4% to ¥15,304 million. Ordinary profit increased by 189.9% to ¥18,397 million, and finally, Profit attributable to owners of parent after deducting income taxes increased by 421.7% to ¥10,189 million.

Trading related expenses increased by 7.6% to ¥13,367 million. Personnel expenses increased by 10.0% to ¥33,928 million. Real estate expenses increased by 2.5% to ¥7,777 million, and Office expenses increased by 2.9% to ¥8,885 million. As a result, Total selling, general and administrative expenses increased by 7.4% to ¥71,387 million.

Total Non-operating income decreased by 18.6% to ¥3,435 million, including Dividend income of ¥1,280 million and ¥1,180 million Gain on the valuation of investment securities. Total Non-operating expenses decreased by 66.9% to ¥341 million, mainly due to Loss on investments in investment partnerships, which amounted to ¥271 million.

For Extraordinary income and loss, the Company recorded Extraordinary income of ¥936 million and Extraordinary loss of ¥1,003 million.

Breakdown of Operating Revenue (Millions of yen)

	Mar. 2023	Mar. 2024
Commission received	32,929	42,239
Net trading income	31,287	40,439
Financial revenue	9,165	6,523

(Commission Received)

During the period under review, the Total commission received increased by 28.3% to ¥42,239 million.

(i) Brokerage Commission

Brokerage Commission earned by the Group rose 56.6% to ¥17,249 million. Total brokerage commission increased by

51.2% to ¥17,783 million.

(ii) Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors

Commission earned from handling stocks increased by 9.5% to ¥558 million, while the commission earned likewise from bonds decreased by 2.5% to ¥587 million. Total commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors increased by 3.0%, to ¥1,146 million.

(iii) Fees for offering, secondary distribution and solicitation for selling and others for professional investors

Fees earned from beneficiary certificates increased by 18.2% to ¥8,125 million, and total fees for offering, secondary distribution and solicitation for selling and others for professional investors increased by 18.6% to ¥8,182 million.

(iv) Other fees received

Agency commissions from investment trusts increased by 12.2% to ¥5,983 million, and insurance commissions increased by 18.3% to ¥5,381 million. As a result, the total other fees received increased by 15.0% to ¥15,126 million.

(Net Trading Income)

Stock trading income increased by 87.1% to ¥25,497 million while trading income from bonds and foreign exchanges decreased by 15.4% to ¥14,941 million. As a result, net trading income increased by 29.3% to ¥40,439 million.

(Net Financial Revenue)

Financial revenue decreased by 28.8% to ¥6,523 million for the consolidated fiscal year under review. Financial expenses, on the other hand, decreased by 33.7% to ¥2,509 million. So, the Net financial revenue decreased by 25.4% to ¥4,013 million.

Consolidated Financial Position

	Mar. 2023	Mar. 2024
Net assets (Millions of yen)	1,056,020	1,400,360
Total assets (Millions of yen)	181,348	192,935
Equity ratio (%)	16.0	12.8
Book value per share (BPS) (Yen)	679.99	718.21

(Assets)

At FYE March 2024, Total assets increased by ¥344,339 million (compared with the end of the previous consolidated fiscal year; the same applies below) to ¥1,400,360 million. Under this category, current assets increased by ¥332,796 million to ¥1,312,677 million. This was mainly due to an increase in both loans secured by securities of ¥202,597 million to ¥506,706

million, and trading products by ¥55,298 million to ¥328,216 million while cash and deposits decreased by ¥33,933 million to ¥97,673 million. Non-current assets, on the other hand, increased by ¥11,543 million to ¥87,682 million, due to an increase in investment securities of ¥5,858 million to ¥51,781 million and other non-current assets.

(Liabilities)

Total liabilities at FYE March 2024 increased by ¥332,752 million to ¥1,207,425 million. Under this category, current liabilities increased by ¥304,212 million to ¥1,058,720 million. This was mainly due to an increase in trading products of ¥187,047 million to ¥422,974 million and in borrowings secured by securities of ¥118,229 million to ¥264,354 million, while the current portion of bonds payable decreased by ¥17,707 million to ¥9,070 million. Non-current liabilities, on the other hand, increased by ¥28,445 million to ¥147,919 million due to an increase in long-term loans payable of ¥33,500 million to ¥127,000 million.

(Net assets)

Net assets at FYE March 2024 increased by ¥11,587 million to ¥192,935 million, and the main factor was the retained earnings that increased by ¥5,206 million to ¥116,270 million.

Cash Flows

	Mar. 2023	Mar. 2024
Cash flows from operating activities	107,307	12,814
Cash flows from investing activities	(18,620)	(42,571)
Cash flows from financing activities	(57,593)	(4,530)

Net cash provided by operating activities was ¥12,814 million and this result was attributable to the following; Profit before income taxes and non-controlling interests was ¥18,330 million. Trading products (liabilities) and loans secured by securities increased by ¥187,047 million and ¥118,229 million, respectively. On the other hand, trading products (assets) and loans secured by securities increased by ¥55,298 million and ¥202,597 million, respectively.

Net cash used in investing activities was ¥42,571 million, which is the result of the following; Cash used included ¥51,157 million in short-term loans receivable, ¥2,249 million in purchases of intangible fixed assets, ¥2,990 million in purchases of investment securities, and ¥12,890 million in proceeds from collection of short-term loans receivable.

Net cash used in financing activities was ¥4,530 million. This was mainly due to a net increase in short-term borrowings

of ¥7,415 million and cash dividends paid of ¥4,976 million.

As a result, cash and cash equivalents at FYE March 2024 decreased by ¥33,772 million to ¥96,651 million.

Dividends

	Mar. 2023	Mar. 2024
Net income per share (EPS) (Yen)	7.85	40.86
Dividend per share (portion accounted for by interim dividend per share) (Yen)	16.00 (8.00)	28.00 (12.00)
Dividends payout ratio (consolidated) (%)	203.8	68.5
Dividend on net assets ratio (consolidated) (%)	2.3	4.0

The Group's main business is the financial instruments business, and the earnings of the financial instruments industry are highly susceptible to market trends. Accordingly, the Group's basic policy on profit distribution is to pay stable and appropriate dividends to shareholders while working to enhance internal reserves.

The Company's basic policy on the frequency of dividend payments is to make two payments in each fiscal year—one as an interim dividend and the other as a year-end payment. The Board of Directors determines the interim dividend payment, and the General Meeting of Shareholders determines the year-end dividend payment. The Company's Articles of Incorporation stipulate that the Company may pay an interim dividend in accordance with the provisions of Article 454, Paragraph 5, of the Companies Act.

The Company paid a year-end regular dividend of ¥16.00 per share, bringing total annual dividends to ¥28.00 per share (including the interim dividend). As a result, the consolidated dividend payout ratio for the year was 68.5%. The Company's shareholder dividends for the fiscal year ended March 31, 2024, and subsequent fiscal years under the current Medium-Term Management Plan (through the fiscal year ending March 31, 2027) will be paid to meet the following criteria.

- (i) Maintain consolidated dividend payout ratio of 50% or higher
  - (ii) Payment of annual dividend per share of 24 yen or more
- We will adopt either (i) or (ii) whichever basis that results in a larger payment.



Share Information

Share Information (As of March 31, 2024)

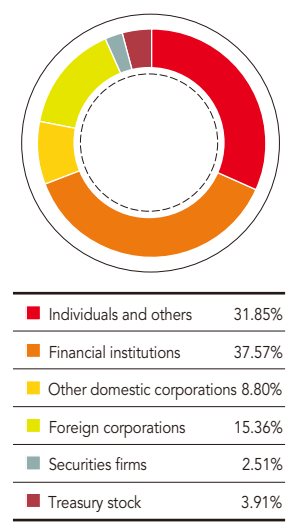
Stock code:	8616
Stock exchange listings:	Tokyo Stock Exchange (Prime) and Nagoya Stock Exchange (Premier)
Shareholder registry administrator:	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Number of shares authorized:	972,730,000
Number of shares issued:	260,582,115
Number of shareholders:	62,277
Trading unit of shares:	100

Major Shareholders (Top 10) (As of March 31, 2024)

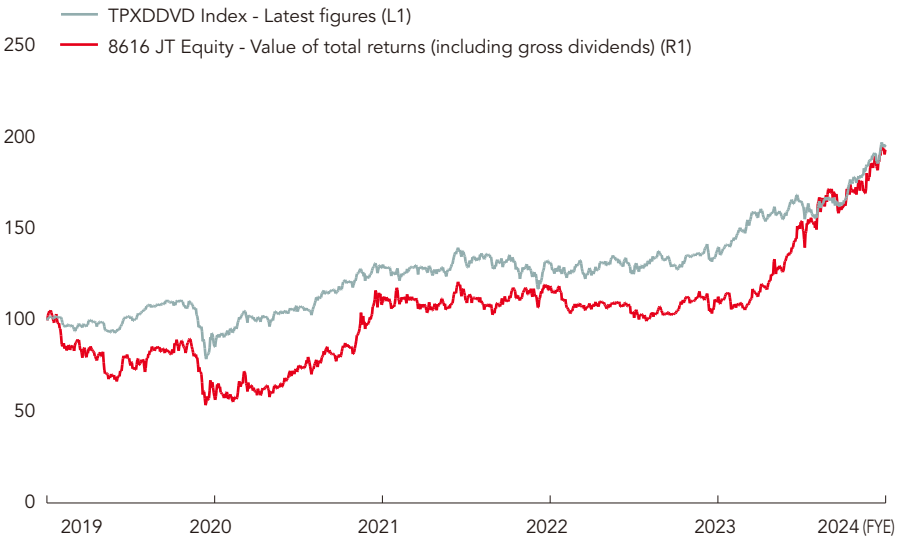
Shareholder Name	Number of Shares Held	Ownership Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,300,400	12.10
MUFG Bank, Ltd.	12,016,853	4.80
Custody Bank of Japan, Ltd. (Trust Account)	8,649,700	3.45
Mitsui Sumitomo Insurance Co., Ltd.	7,283,798	2.91
Toyota Financial Services Corporation	7,280,000	2.91
The Bank of Yokohama, Ltd.	7,014,553	2.80
Nippon Life Insurance Company	5,611,890	2.24
Sumitomo Mitsui Trust Bank, Limited	4,800,000	1.92
Meiji Yasuda Life Insurance Company	4,406,000	1.76
STATE STREET BANK WEST CLIENT-TREATY 505234	3,686,600	1.47

(Note 1) The ownership ratio above is calculated by dividing the number of shares by the resulting number after deducting the number of treasury stocks from the total number of shares issued.  
(Note 2) Besides the companies listed above, Tokai Tokyo Financial Holdings holds 10,178,451 shares of treasury stock.

Shareholder Breakdown Total Shareholder Return (TSR) from March 2019 to March 2024 (As of March 31, 2024)



(Note) The composition ratios are rounded off to the second decimal place. Consequently, the sum of aggregate values may not add up to 100%.



\* TSR factors in the capital gains and dividends from the stock.  
(Note) The closing TSR for March 2019 is scaled at 100%, representing fair value.

Company Information (As of March 31, 2024)

Company name	Tokai Tokyo Financial Holdings, Inc.
Date of incorporation	June 19, 1929
Paid-in capital	¥36,000,000,000
Number of employees	152 (Does not include 60 temporary employees and 3 dispatched workers)
Number of employees (consolidated)	2,655 (Does not include 10 investment advisors and asset advisors as combined, 526 temporary employees, and 65 dispatched workers)
Address of head office	5-1, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-6130

Principal Subsidiaries

Company Name	Head Office	Main Business
Tokai Tokyo Securities Co., Ltd.* <sup>1</sup>	7-1, Meieki 4-chome, Nakamura-ku, Nagoya-shi, Aichi	Financial instruments business
CHEER Securities Inc.	17-21, Shinkawa 1-chome, Chuo-Ku, Tokyo	Financial instruments business
Maruhachi Securities Co., Ltd.	4 Shinsakae-machi 2-chome, Naka-ku, Nagoya-shi, Aichi	Financial instruments business
Tokai Tokyo Intelligence Laboratory Co., Ltd.* <sup>2</sup>	19-30, Aoi 1-chome, Higashi-ku, Nagoya-shi, Aichi	Financial instruments business, research on economic conditions and corporate performance, education and training
Tokai Tokyo Investment Co., Ltd.	17-21, Shinkawa 1-chome, Chuo-Ku, Tokyo	Creation and management of funds, self-financed investment
Tokai Tokyo Wealth Consulting Co., Ltd.	5-28, Meieki 4-chome, Nakamura-ku, Nagoya-shi, Aichi	Consulting on handling of testamentary trusts, inheritance property, especially for wealthy clients
Tokai Tokyo Services Co., Ltd.	13-8, Aoi 1-chome, Higashi-ku, Nagoya-shi, Aichi	Transfer agent, merchandising, printing, real-estate rental management
Tokai Tokyo Business Service Co., Ltd.	17-21, Shinkawa 1-chome, Chuo-Ku, Tokyo	Serving as agents for back-office operations of securities companies and others
Tokai Tokyo Digital Platform Co., Ltd.	17-21, Shinkawa 1-chome, Chuo-Ku, Tokyo	Planning, development, and operation of asset management platform application. Various information provision services using the Internet.
ETERNAL Co., Ltd.	20-19, Minamiaoyama 4-chome, Minato-Ku, Tokyo	Insurance agency
Mebius Co., Ltd.	1-8, Minamihonmachi 2-chome, Chuo-ku, Osaka-shi, Osaka	Insurance agency
TT Solution Inc.* <sup>1</sup>	6-7, Shibakoen 1-chome, Minato-ku, Tokyo	M&A advisory, cross-border advisory
MAfolova Inc.* <sup>3</sup>	6-7, Shibakoen 1-chome, Minato-ku, Tokyo	M&A matching platform service operation
Tokai Tokyo Securities (Asia) Limited	15/F, 33 Des Voeux Road Central, Central, Hong Kong	Securities business
Tokai Tokyo Securities Europe Limited	4th Floor, Salisbury House, London Wall, London, EC2M 5QQ, United Kingdom	Securities business
Tokai Tokyo Securities (USA), Inc.	3 Columbus Circle, Suite 1715, New York, NY 10019, USA	Researching U.S. companies and collecting information on the overall U.S. market
Tokai Tokyo Investment Management Singapore Pte. Ltd.	60 Anson Road #13-03, Singapore 079914	Asset management
Tokai Tokyo Global Investments Pte. Ltd.	60 Anson Road #13-03, Singapore 079914	Fund investment

\*<sup>1</sup> In June 2024, Tokai Tokyo Securities Co., Ltd. (surviving company) and TT Solution (formerly Pinnacle TT Solution Inc.) (absorbed company) merged.  
\*<sup>2</sup> In March 2024, Tokai Tokyo Research Center Co., Ltd. (surviving company) and Tokai Tokyo Academy Co., Ltd. (absorbed company) merged.  
\*<sup>3</sup> In October 2024, the company was dissolved following a transfer of business.